2000

Alcohol Advertising over the Public Airwaves: A Study of Radio Station Managers' Clearance of Alcohol-Related Advertisements

A. Joseph Borrell

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Abstract

In 1996. a self-imposed ban on broadcast advertisements by the major hard liquor distillers ended. Some federally licensed broadcast outlets ended up accepting and airing advertisements for distilled liquor products such as rum and vodka while others refused. This dissertation's main purpose is to study the variation found in broadcasters' willingness to air alcoholic beverage commercials and to test different explanatory models for the divergence of reactions to these controversial products. In December 1997. 191 radio station general managers completed a mailed survey about their policy on alcohol advertising and specifically answered questions about what types of alcohol beverage ads they had accepted or would accept. Some would take all. The vast majority reported that they would accept such fermented alcohol products as beer and wine, but not for distilled liquor products. Others indicated that their stations refused all alcoholic beverage advertisements and would even refuse to air ads for nightclubs. An index of willingness to air alcoholic beverages and related products became the main dependent variable for the study. An analysis of the research literature suggested ethical, economic and audience factors would best account for the observed variation in station managers' alcohol clearance decisions. Each factor was explored using statistical analysis. Stations with a religious format were unlikely to air commercials for alcohol products as were stations with a history of format stability. Younger general managers with a business-oriented educational background were the most likely to accept advertisements for alcohol-related products and businesses. However, the most powerful variable in explaining the differences in clearance of these controversial advertisements was found to be the ethical values of the manager, including his or her concern for the audience. Remarkably, the station's economic and technical conditions did not have much predictive value. No strong evidence was found for a hypothesis that alcoholic beverage advertisements are price discriminated against by stations; that is. these advertisers are charged a higher price by stations because of controversial content.

Degree Type

Dissertation

Degree Name

Doctor of Philosophy (PhD)

Department

Communication

First Advisor

Oscar Gandy

ALCOHOL ADVERTISING OVER THE PUBLIC AIRWAVES: A STUDY OF RADIO STATION MANAGERS' CLEARANCE OF ALCOHOL-RELATED ADVERTISEMENTS

A. Joseph Borrell

A DISSERTATION

in

Communication

Presented to the Faculties of the University of Pennsylvania in Partial Fulfillment of the Requirements for the Degree of Doctor of Philosophy

2000

Supervisor of Dissertation

Graduate Group Chairperson

Dedication

This work is dedicated to the memory of my grandfather,

Anthony Joseph Borrell, Sr. (1916-1999)

Acknowledgements

I would like to thank my wife and fellow scholar, Melinda, for her everyday encouragement and constant companionship over the long process of doctoral studies. Along the way, Elinor Jane, our daughter, came into our lives and I thank her for her frequent encouraging smiles. I could not have completed this project without their love.

I want to thank my chair, Oscar Gandy, for his support over my years at Annenberg. My many classes with him stimulated the direction of this research. I especially thank Paul Messaris, Joseph Turow, Susan Fredricks, James Shen and Carol Vernallis for their comments on this project. I also acknowledge the comments of several members of AEJMC's Media Management & Economics division.

This work would also have not been possible without the generous support of the Annenberg School and its founder, Walter Annenberg. I also must credit Marc Levitt, Seito Kenya and Susan Williamson of the Annenberg Library for providing invaluable library assistance.

I also have to thank members of my wife's family, Bob, Judy and Carl Schwenk, for their encouragement at crucial times in this dissertation and for truly making me feel like a member of the family.

Finally, I would like to thank my father, Anthony J. Borrell, Jr., my grandmother, Zenaida Garcia Borrell, and my mother, Margaret Wilby Borrell, for instilling in me the value of an education. Although I sometimes suspect that they thought I shouldn't spend so much time in graduate school, I can assure them that it was time well spent.

ABSTRACT

ALCOHOL ADVERTISING OVER THE PUBLIC AIRWAVES:

A STUDY OF RADIO STATION MANAGERS' CLEARANCE OF ALCOHOL-RELATED ADVERTISEMENTS

A. Joseph Borrell

Oscar H. Gandy, Jr., Supervisor

In 1996, a self-imposed ban on broadcast advertisements by the major hard liquor distillers ended. Some federally licensed broadcast outlets ended up accepting and airing advertisements for distilled liquor products such as rum and vodka while others refused. This dissertation's main purpose is to study the variation found in broadcasters' willingness to air alcoholic beverage commercials and to test different explanatory models for the divergence of reactions to these controversial products. In December 1997, 191 radio station general managers completed a mailed survey about their policy on alcohol advertising and specifically answered questions about what types of alcohol beverage ads they had accepted or would accept. Some would take all. The vast majority reported that they would accept such fermented alcohol products as beer and wine, but not for distilled liquor products. Others indicated that their stations refused all alcoholic beverage advertisements and would even refuse to air ads for nightclubs. An index of willingness to air alcoholic beverages and related products became the main dependent variable for the study. An analysis of the research literature suggested ethical, economic and audience factors would best account for the observed variation in station managers' alcohol clearance decisions. Each factor was explored using statistical analysis. Stations with a religious format were unlikely to air commercials for alcohol products as were stations with a history of format stability. Younger general managers with a business-oriented educational background were the most likely to accept advertisements for alcohol-related products and businesses. However, the most powerful variable in explaining the differences in clearance of these controversial advertisements was found to be the ethical values of the manager, including his or her concern for the audience. Remarkably, the station's economic and technical conditions did not have much predictive value. No strong evidence was found for a hypothesis that alcoholic beverage advertisements are price discriminated against by stations; that is, these advertisers are charged a higher price by stations because of controversial content.

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Chapter 1

Introduction and History

In the middle of the 1960s, cigarettes were the most commonly advertised product on television, totaling eight percent of all television advertising time. Within five years, federal regulators had severely limited, and Congress eventually completely outlawed, all cigarette advertising over radio and television.

This change in policy can be attributed to the substantial evidence that linked smoking to public health dangers. But even before regulatory action had been taken, some broadcasters felt morally obligated to stop taking tobacco dollars. Wagner (1971) reports that in the 1960s "a few" television and radio station would not run cigarette ads. Two large advertising agencies, Ogilvy & Mather and Doyle Dane Bernbach, concerned about the ethics of representing big tobacco, decided not to work with cigarette makers. Reader's Digest, almost alone among magazines, has a policy of prohibiting tobacco advertisements dating back to the late 1950s. A few popular and powerful stars, like Lawrence Welk and Doris Day, also did not allow tobacco companies to sponsor their shows. However, most broadcasters were quite willing to air the ads even in the light of claims regarding danger to the general public. Wagner labeled broadcasters as "allies" of the tobacco manufacturers in trying to keep cigarette ads on TV. Although the National Association of Broadcasters, through its Code of Good Practice, limited some types of cigarette ads (for example, sports heroes were not allowed to endorse cigarettes), congressional testimony revealed virtually no enforcement of these restrictions by the broadcasters. Voluntary self-policing of cigarette commercials. noted former Surgeon General Dr. Luther Terry, proved to be a "complete flop." The lure of tobacco advertising money proved too strong to resist. In the absence of restraint. federal regulators stepped in. terminated broadcasters' discretion about airing tobacco advertisements and eliminated cigarette ads from the public airwaves.

Today, some wonder if alcohol advertising is going down the same path. Under the law, alcohol, like tobacco, is part of a category of products considered "legal vices." Alcohol companies, much like the Tobacco Institute a generation ago, argue that as sellers of a legal product, they have a First Amendment right to advertise their product over the electronic media. Detractors argue that alcohol advertising has such negative social consequences that these advertisements should be strongly regulated if not completely banned. Congress, the Federal Trade Commission and the Federal Communications Commission (FCC) have considered plans to ban or restrict various types of alcoholic beverage advertisements (Beatty & Gruley, 1996), but, at the time of the research for this dissertation, none has been implemented.

Given the absence of a federally-mandated alcohol advertising policy, a unique opportunity existed to study the operation of the advertising market in a time of ethical turmoil, public controversy and legal limbo. Though proposals have been made in Congress and the Federal Communications Commission for an outright ban on hard liquor advertisements, at this time such commercials air at the discretion of each station and its management (Beatty & Gruley, 1996; Beatty, 1997a; Beatty, 1997b).

Radio stations were found to have reached different conclusions about whether they should broadcast these ads over their stations. Some stations have chosen not to air any alcohol advertisements. Other stations will accept only certain types of alcohol advertisements. A few stations seem to have no restrictions on alcohol advertising. This study asks some fundamental questions about station policies concerning advertising of alcohol products. Through a survey, radio station general managers were asked to describe their station's alcohol policy, what factors helped determine their policy and, of these factors, which ones were relatively more important.

A Brief History

Fleming (1975, p. 3) provides this simple explanation of alcohol's production: "When fruit, grain, honey or any number of other substances are standing over time, a tiny organism called yeast begins to form in them. The yeast sets in motion a process called fermentation. This in turn produces a bitter-tasting liquid officially named ethyl alcohol that can have some startling effects on human behavior."

It is theorized that alcohol was probably first discovered by humans as a result of the accidental fermentation of wild honey, which produces mead. Anthropological evidence shows that virtually every major culture has had its own indigenous source of alcohol. For example, groups such as native Americans, South Sea Islanders and Africans all had their own fermented drink. Even beer can be traced back to the Babylonians and Egyptians.

Though alcohol intoxication has probably been a problem since alcohol fermentation was discovered, social and religious restrictions have been the more common ways to regulate its use. Notably, the United States briefly experimented with a more extreme, and ultimately less effective, way of regulating alcohol consumption.

The 18th Amendment to the U.S. Constitution, ratified in 1919, ushered in the era of Prohibition. The Amendment forbade "the manufacture, sale or transportation of intoxicating liquors." Because Prohibition led to the rise of crime syndicates and much public disregard for the anti-drinking laws, the 18th Amendment was repealed by the 21st Amendment. This Amendment ended the nation's fourteen year experiment with banning alcohol production and consumption and reserved the right to prohibit alcohol sales to the states (Ladd, 1985). Most states quickly restored alcoholic beverages, from beer to harder liquors like whiskey, gin, vodka or rum, to their lawful status.

Eager to reclaim the market, beer manufacturers were especially eager to use mass communications, especially the newly emergent medium of radio, as a way to normalize alcohol consumption after the long period of not only simple illegality but outright unconstitutionality. Edward L. Bernays, often described as the father of public relations, played a key role in the early positioning of alcohol as a social drink. In his post-prohibition work for brewers, Bernays formulated the strategy of positioning beer as a "beverage of moderation" and thus inoculated it from the attacks of the temperance movement, which, having lost the national debate, sought to ban alcohol sales on a community-by-community basis, especially in the more conservative parts of the nation. Bernays' strategy was to co-opt the arguments of the prohibitionists: "Beer is a sort of vaccination against intemperance" (Tye, 1998, p. 59). A brochure, prepared by the

Bernays organization in support of a Texas referendum allowing the sale of beer, argued that legal beer sales would drive out the bootleggers. "The 'bootleggers' thrive upon the stronger beverages, distilled spirits, those that carry the "kick" in concentrated form, in small packages easy to conceal...." Bernays' organization also used the celebrity endorsement approach in the beer drive claiming patriots George Washington, Thomas Jefferson and Patrick Henry as beer drinkers.

The campaign was successful. Beer was quickly reaccepted as a normal social drink but stronger beverages remained demonized. For example, the Federal Communications Commission issued a policy statement shortly after the repeal of Prohibition in 1934. It stated:

> "There is no liquor prohibition [but] it is well known that millions of listeners throughout the United States do not use intoxicating liquors and many children of both users and nonusers are part of the listening public. The Commission asks broadcasters and advertisers to bear this in mind. The Commission will designate for hearing the renewal application of all stations unmindful of the foregoing, and they will be required to make a showing that their continued operation will serve the public interest, convenience and necessity." (Liquor Advertising, 1952, p. 97)

This threat of a lengthy hearing and possible loss of the valuable broadcast license severely limited the broadcast of hard-liquor advertisements in the 48 states. However, cracks did appear in the de facto ban. For example, hard liquor advertisements sporadically aired in such places as Alaska, Hawaii and Puerto Rico. The FCC, in the words of an attorney representing native Alaskans, had never seriously enforced the policy statement. The Chairman of the FCC admitted that the policy had, in practice if not on paper, been abandoned by 1950. Congress held hearings on a bill to codify a ban on hard liquor advertisements. Under this pressure from Congress and to forestall legislation. the main hard liquor companies reiterated their opposition to advertisements and created a tougher industry-wide code of conduct that mandated no broadcast ads.

This post-prohibition administrative ruling divided the alcohol industry into advertising-permissible products, like beer and wine, and forbidden harder alcoholic beverage advertisements. Though never tested in a court of law, the Commission opinion created an uneven playing field for harder liquor advertisements. Fearing reprisal. manufacturers of hard liquor. in contrast to beer and wine. largely remained off the airwaves until the 1990s.

Reinforcing this ban was the separate code of conduct promulgated by the broadcasters' lobbying arm. the National Association of Broadcasters (NAB). Rivers. Schramm & Christians (1980) report that the broadcasting codes came about because of concern about government regulation and public criticism. These codes have a strong rhetorical appeal to the broadcasters' sense of privilege because of their control over a scarce resource and a consequent special responsibility because of this privilege. By implication. these codes view the audience as passive and easily influenced by content.

Specifically. the NAB codes specified that "the advertising of hard liquor (distilled spirits) is not acceptable" and "[t]he advertising of beer and wines is acceptable only when presented in the best of good taste and discretion" and. of course. where permitted by local law (Kahn. 1978. p. 586). The preamble to this section states that these advertising prohibitions are necessary because "radio broadcasting is designed for the home and the entire family." (Kahn. 1978. p. 586; Rivers. Schramm & Christians. 1980. pp. 317).

As with the hard liquor companies, broadcasters feared a statutory ban on advertising. To quote Hilliard (1989, p. 5), "stations are afraid that if they [hard liquor advertisements] are carried, Congress might well pass a law prohibiting them and, possibly, other alcohol or alcohol-related product ads, thus creating imposed regulation tougher than self-regulation."

So, for decades, the major hard liquor distillers and large broadcasters voluntarily agreed that their interests were better served by refraining from broadcast advertising of hard liquor.

The Contemporary Situation

By the middle of the 1990s, several trends coincided to change this long-held opinion. First, hard liquor manufacturers found that the consumption of their products had seriously declined. Gellenne (1996) reports that hard liquor sales plummeted 40% between 1979 and 1995. Consumers, especially younger consumers, preferred beer and wine, and the sales of these products had increased. Hard liquor manufacturers, assuming that part of the decline in sales was due to their lack of marketing via the electronic airwaves, abandoned their voluntary ban on advertising. Secondly, broadcast stations, no longer constrained by the formal NAB code since its 1983 dismantling as an illegal restraint of trade, also rethought their opposition to hard liquor advertisements. The broadcast industry itself was undergoing an economic change as a result of the deregulation of the industry, concluding in the Telecommunications Act of 1996, and the increasing competition for audience from such areas as direct mail and cable television. Finally, a more conservative judiciary made it less likely that governmental restrictions on commercial speech, such as hard liquor advertising, would withstand First Amendment scrutiny.

Seagram was the first major distiller of hard liquor to break the industry-sponsored ban by advertising its Royal Crown Whiskey over the airwaves. The first English-language television commercial aired on a Texas station located in an area known for its large Hispanic population. Beatty & Gruley (1996) reported that since the hard liquor ads began airing, one local store reported a 15% increase in purchases of Seagram's products. Industry analyst Tara Fatemi (2000) reports that overall U.S. liquor sales have halted their decades-long decline in sales, and she attributes part of the turnaround in industry sales to the resumption of broadcast advertising.

Political Reaction

The broadcast of hard liquor advertisements brought immediate reaction from Washington, but action on the issue was hampered by questions of jurisdiction and the First Amendment.

Congress, the Federal Communications Commission, the Bureau of Alcohol, Tobacco and Firearms and the Federal Trade Commission regulate various aspects of alcohol advertising. Of direct concern to broadcasters were the rumblings from the Federal Communications Commission that broadcasters could face challenges to their licenses at renewal time if they aired these controversial ads. Though a majority of the FCC's commissioners did not believe that they had authority to ban hard liquor ads outright or to sanction stations for airing them, then-chairman Reed Hundt issued a strong warning to broadcasters. Specifically, he warned broadcasters who aired hard liquor advertisements that they may face "government scrutiny if they carry the ads" (Beatty & Gruley, 1996).

The Federal Trade Commission began a parallel investigation on alcohol manufacturers and lightly sanctioned some firms for violating existing rules on advertising to children. In Congress, Representative Joe Kennedy of Massachusetts introduced a bill, "Children's Protection from Alcohol Advertising Act of 1996," which outlawed any alcoholic beverage advertising on broadcast media between 7 a.m. and 10 p.m. The bill, however, never received serious consideration by the full Congress ("Dingell Questions," 1997). The Clinton administration entered the fray and proposed a ban on all hard liquor ads. White House polling at the time indicated that 57 percent of Americans supported the removal of these advertisements from the public airwaves (Kurtz, 1998, p. 249). Politically, such rhetoric made sense but constitutionally such a ban was suspect.

The efforts of the White House and other federal agencies ran smack into court precedent on the First Amendment. Under existing court decisions, truthful and unmisleading advertisements can only be outlawed if the government has a substantial interest in regulating the product, if the restriction proposed by the government directly and materially advances the public interest and if the restriction proposed by the government is not excessive. This is known as the Central Hudson test based on the Supreme Court reasoning in a 1980 case involving the New York utility (Moore, 1998, p. 202). A necessary part of this test is to examine the evidence about the advertising of this legal product to see if it meets the compelling public interest test.

Significance of Alcohol

Alcohol product advertising has attracted controversy because the social effects of alcoholism are well-known. Vaillant (1980) reports that 5 to 10 percent of Americans are alcoholics. He defines alcohol abuse as beginning when the drinker's consumption impairs his or her "social relationships, health, job efficiency or ability to avoid legal difficulties" and calls the disease of alcoholism "the most ignored public health threat in America." Vaillant also notes that up to 40 percent of hospital patients are alcoholics and that alcoholism is traditionally one of the leading causes of death among young men. Keith Warburton, a New Jersey assistant prosecutor, notes that it is rare for a violent crime not to have a connection to the criminal's abuse of alcohol or drugs. In many of the murder cases Warburton has handled, alcohol is a contributing factor (Hennessy, 1999). Arguing that alcohol produces overwhelming negative social consequences, restrictionists commonly argue that it is poor public policy to encourage more consumption of a potentially dangerous product by means of advertising.

For their part, the Distilled Spirits Council of the United States (DISCUS) argues that banning hard liquor ads would be bad public policy. This trade association for hard liquor manufacturers says that their advertising campaign actually informs the public and leads to more responsible alcohol habits. DISCUS states that their voluntary ban confused young adults about the potency of various liquors and led to irresponsible overconsumption of beer (Broadcasting & Cable, 1996). The distilled liquor makers also argue that alcohol is alcohol, whether it is contained in beer, wine or whiskey. Medically speaking, the hard liquor makers have a point. Vaillant (1980) defines alcohol intoxication as the "recent ingestion of 4 to 8 ounces of whiskey, 1 to 2 quarts of beer, or a 26-ounce bottle of wine," allowing some variation due to body weight and other personal factors. The U.S. Department of Agriculture also recognizes the equivalency. It defines an alcoholic drink as "12 ounces of beer, five ounces of wine or 1.5 ounces of 80-proof distilled spirits" (Beatty, 1997b).

Critics argue that higher proof alcohol or distilled liquors provide "more bang for the buck" in that drinking hard liquor is a significantly more effective way to proceed through physical or emotional relaxation and move directly to intoxication. Critics of hard liquor ads claim this quicker intoxication provides the bright line rationale to differentiate wine and beer from hard liquor and to ban advertisements for the latter.

Some research on alcohol and advertising

But does advertising, in general, affect the consumption of alcoholic beverages? Much like other questions of media effects, such as whether violent content is harmful to viewers, the evidence is mixed.

Fisher (1993, p. 116) concludes that, looking at the general population, advertising does increase the demand for the specific product advertised but does not increase the total consumption of all alcoholic beverages. This substitution effect means that advertising merely shifts a consumer from one type of beverage to another. While there is limited evidence regarding substitution between liquor, beer and wine, there is evidence that an increase in advertising of beer brands, without a corresponding increase in the advertising of wine, will switch a significant number of consumers to beer from wine. Kohn, Smart &

Ogborne (1984) also support the conclusion that alcohol advertisements merely reach those adults already predisposed to drink and, in general, do not cause individuals to drink or cause individuals who already drink to drink more. In addition, the U.S. Department of Health and Human Services reported to Congress that their review of the literature could not document a strong overall relationship between advertising and alcohol consumption (Beatty & Gruley, 1996).

Arguing that advertising does have effect, Berger (1997) is not surprised that these short-term studies do not show a strong relationship and argues that the effects of alcohol advertising are more cultural. He argues that "the main function of alcohol advertising is [to] 'naturalize' this kind of behavior. That is, a cultural activity (drinking) is made 'natural' and part of the scheme of things -- something that 'goes without saying,' something we don't think about. This may be one of the most important functions of liquor advertising -- to naturalize drinking and make it part of everyday life."

Is it possible to find middle ground in this argument? Yes, even the most pro-industry sources note that some in the audience have less resistance to these messages and may be influenced by alcohol advertisements. The most developed literature here studies the effects on younger individuals. Though broadly agreeing with the "no effects" conclusion, Fisher (1993) recognizes that some segments of the general population are what he describes as "at-risk" populations. Though primarily concerned with children, "at-risk" research also concerns African Americans and other minorities, and how these individuals and their communities are affected by alcohol.

The prime concern of this research is that children have not reached a level of maturity, both developmentally and legally, to be able to make fully informed choices about alcoholic products and to understand these products' effects on their health. The concern is not theoretical. Recently a Federal Trade Commission (1999) report cited evidence that one third of high school seniors report binge drinking behavior, and Atkin, Hocking and Block (1984) have evidence that teenagers exposed to alcohol advertisements were significantly more likely to engage in drinking. Lieberman & Orlandi (1987) report that 11 and 12 year olds had excellent levels of recall about alcohol advertisements. They conclude "advertising appears to be one of several influences that will predispose adolescents positively towards drinking."

Mazis (1990) recounts that several beer brands seem to have been repositioned to "cater to the youth market." For example, Budweiser has used frogs and a spokesdog Spuds McKenzie for its various beer brands. In the late 1980s, Miller Lite used clay action figures in ads that were shown "mostly on late night and rock programs that [were] seen by many underage drinkers in high school and college." All of these whimsical cartoon-like characters have proven popular with children. For example, a survey (Horovitz & Wells, 1997) found that 99% of teens surveyed could identify the Budweiser frogs and 92% reported liking the characters. The teens also reported these types of ads as having an influence on their alcohol consumption. Concerned about the deliberate targeting of underage drinkers, the Federal Trade Commission opened an investigation after it discovered that an advertisement for Schlitz Malt Liquor aired on an MTV program for teenage girls. Beatty (1997a) also reports that Molson aired one of its beer commercials on a program where 69% of the audience was under the legal drinking age.

A recent study by Joel Grube says that there is a moderate correlation between alcohol advertising and consumption in children between the seventh and tenth grade. Children who paid more attention to beer and wine ads were described as more likely to drink, and to drink heavily, than children who found the ads uninteresting (Beatty & Gruley, 1996). While more research is needed in this area to establish a causal link between advertising and underage consumption, even Fisher (1993, pp. 88-94), whose work has been funded by Anheuser-Busch and who has generally been skeptical of advertising's influence over alcohol consumption, agrees: "alcohol advertising stimulates a small increase in consumption for a minority of individuals." In the specific case of children, while he reluctantly agrees that advertising may increase underage consumption, he argues that advertising is much less important in determining a child's drinking behavior than interpersonal factors, like a parent's drinking behavior.

Disturbing evidence also exists that older minors, namely college students, misperceive the risks of drinking. Over the past few years, there have been numerous binge-related deaths on college campuses across the country. Various measures have been proposed to counter this problem but with mixed result. For example, in their study of college students, Snyder & Blood (1992) found a boomerang effect: that is, government warning labels caused young people to believe drinking was now a safer activity. One cautionary lesson that can be learned from this study is that attempts to protect children and young adults from alcohol can cause dramatically different reactions in actual practice.

The second traditional "at-risk" population is composed of racial and ethnic minorities such as Native Americans, Hispanics and African Americans (Rebach, 1992). White (1993) reports that government information reveals that African Americans are significantly more likely than whites to suffer from alcohol-related diseases like cirrhosis of the liver. The National Institute on Alcohol Abuse and Alcoholism (1994) reports that, while they are less likely to drink than whites or Hispanics, African Americans are more than twice as likely to be hospitalized for alcohol-related problems. Black infants are seven times more likely to suffer from Fetal Alcohol Syndrome than white infants. While environment, diet and other cultural factors may account for some of the variations, research does not exclude genetics as an important factor. For example, many Asian Americans experience a protective flushing response to alcohol. Researchers have observed differences in how different races metabolize alcohol in the body. Research has also shown that Native American populations are prone to alcoholism, although members of different native groups have different rates of alcohol problems.

Unfortunately, little independent research has been done into minority drinking patterns and the influence of advertising (Fisher, 1993, p. 144), although Nwachukwu (1993) notes that research has demonstrated that alcohol companies disproportionately target minority neighborhoods with advertisements. In their exploratory research on black newspapers, Sylvie & Brown-Hutton (1999) found that tobacco and liquor advertisers were not pursued by 75% of the papers, but those newspapers that did run alcohol advertisements tended to have the largest circulation.

Another interesting area of "at-risk" research is the conclusion of the National Institute on Alcohol Abuse and Alcoholism (1999) which reports that women appear to be more vulnerable to alcohol's ill effects than men. In particular, "women absorb and metabolize alcohol differently than men." It is also theorized that women's observed easier proclivity to damage of such organs as the liver might be attenuated by the hormone estrogen.

Although alcohol advertisements may have little effect on total alcohol consumption for the general population, at-risk audiences may see alcohol advertising in a different way. Indeed, some researchers suggest that the same advertisement can have a significant effect on an at-risk group while producing little effect on a general audience. Therefore, in light of this literature on differing effects, we must ask how demographics affect the alcohol clearance question.

Perhaps communications scholar Arthur Berger puts the controversy over alcohol advertising best. As he points out in a 1997 essay, "advertising agencies are forced to talk out of both sides of their mouth at the same time. They must convince clients that advertising is effective...in generating sales, attracting new customers or holding on to the customers a company already has. But when they are asked by governmental agencies or consumer groups about what they do, when it comes to advertising products such as cigarettes and alcohol, for instance, they argue that they have very little impact."

In sum, no irrefutable evidence argues decisively for or against the thesis that advertising encourages drinking; nevertheless the controversy serves as a background for each manager's decision to run or to refuse alcohol advertisements.

Economic data of advertising expenditures

Despite the lengthy debate over the influence of alcohol advertisements, no one doubts the ubiquity of their presence in American life. A recent Federal Trade Commission (1999) study reported that more than a billion dollars a year is spent by the industry in television, radio, print and outdoor advertising in addition to an estimated 3 billion dollars spent by manufacturers on related promotions. One source reported that the media campaign for an average mid-sized alcohol brand would reach 88% of all adults in the United States at least once and that the average adult would receive 12 advertising exposures to the product during the average year.

Alcohol advertising is an important source of revenue for the electronic media. Several sources place the total value of beer and wine ads on television alone as just under 700 million dollars a year (Stern, 1996; Fleming, 1997).

Indeed, it can be said that the electronic media are alcohol dependent. Atkin (1993, p. 110) suggests that if Congress banned all broadcast alcohol advertising, it would change the shape of broadcasting by limiting "the public's access to network televised sports events and to minority-oriented radio music, because both are disproportionately dependent on this source of advertising income." Lilley & Penner (1990) documented this via econometric modeling. In particular, they find that beer advertising is tied heavily to sports programming. Their study of television sports coverage indicates beer advertising constitutes over 15% of the total advertising dollars spent each year sponsoring sports programming on both broadcast television and basic cable. Overall, they estimate that beer and wine advertisements account for about five percent of total television broadcast revenues.

Past research has found radio to be quite dependent on beer advertising. In 1987, beer maker Anheuser-Busch was the top spot radio advertiser. The G. Heileman Brewing Company and the Adolph Coors Brewing Company were in the Top 20 spot advertisers that year (Schulberg, 1989, p. 8). More recent figures confirm that radio is a major outlet for alcohol advertising.

Table 1-1

Amount Spent on Radio in 1996 by the Largest Beer and Wine Advertisers

Alcohol Advertiser	network radio	spot radio
Anheuser-Busch	0	649,800
Miller	203,000	2,400,000
Adolph Coors	0	2,530,000
Brown-Forman	2,900,000	383,000
Heineken	0	7,772,000
Gallo Winery	1,170,000	2,070,000
Stroh	0	1,300,000
Beck Brauerei	0	640,900
Sebastiani	0	1,700,000
Boston Beer	980,000	1,100,000

Source: Fleming (1997), All figure are in U.S. dollars.

Acampora (1997) surveyed radio stations and networks carrying the 1997 major league baseball schedule. The survey also identified the major sponsors of 20 of these teams. Alcohol companies figured prominently. For example, Miller Brewing was a major sponsor of KDKA's coverage of the Pittsburgh Pirates, WKNR's coverage of the Cleveland Indians, WMVP's play-by-play of the Chicago White Sox, and WTMJ's coverage of the Milwaukee Brewers. Anheuser-Busch, Labatt's, Coors and Stroh's were also listed as major sponsors of various baseball teams. Clearly, many stations have no qualms about airing advertisements for alcoholic beverages.

As stated earlier, hard liquor ads have become a contentious issue. FCC officials report that some 50 television stations had aired liquor ads in 1996, although most broadcast television stations seem reluctant to air the ads perhaps due to television's high public profile (Trotta, 1997). Despite this reluctance, other media outlets have been more accommodating. Stern (1996) reports that cable networks and systems have welcomed hard liquor advertisements. Comedy Central has run Kahlua liquor commercials, and Black Entertainment Television has said it will accept hard liquor ads on both its BET and BET on Jazz services. Cable is, of course, relatively unregulated as to its content, and cable systems' licenses are not subject to the regular FCC license renewal procedures (Ross, 1996).

Radio is also a popular medium for hard liquor manufacturers. Marcus Perez, a marketing manager for Bacardi rum, expresses his view that radio is a good choice for his target audience of "twenty-something" drinkers because "you are able to communicate more moods and feelings on radio than on a printed page" (Berkowitz, 1997). Fleming (1997) reports that Seagram, in the second half of 1996, spent $600,000 on national spot radio ads, about the same amount it spent on TV ads, promoting its distilled spirits. Radio & Records ("Who's Choosing, Who's Refusing," 1996) reports that two large radio groups, Spanish Broadcasting and Z Spanish Radio, accept hard liquor ads. Two other radio groups, Osborne Communications and Saga Communications, had no corporate policy and would allow individual managers to make the decision to run hard liquor ads. Several of the surveyed large radio groups, such as Jacor and ABC Radio, have stated that they will not allow these ads to run on any station in their group. Similarly, Angwin (1996) surveyed stations in San Francisco and found that a gin commercial had been accepted on at least five FM stations while at least four major stations told him, on the record, that they had been offered the commercial but had refused to carry it. The variation in these decisions is empirically interesting.

This history leads to a simple question. What determines a station's advertising policy towards alcoholic beverages? The little literature that exists on advertising clearance shows it is often a "seat-of-the-pants" decision. Interviews with several Philadelphia area general managers revealed that they analyzed and decided on alcohol advertisements on a case-by-case basis. "Ad hoc" is the best way to describe policies on advertising clearance at local stations.

Some published examples illustrate the problems of studying advertising clearance policies. Moore (1999, p. 204) points out that the three broadcast television networks reject condom advertisements but run public service announcements touting condom use. One published account (Farber, 1999) told of a general manager who not only refused to accept advertisements mentioning hemorrhoid cream on his local station, but also made his employees perform the technically difficult task of cutting these commercials out of network programming fed to his station.

Since few published accounts have explored the alcohol clearance question, depth interviews with radio personnel about the advertising clearance process were conducted as a part of this project. The interviews revealed a variety of rationales for policies regarding alcohol advertising on the manager's station. One general manager revealed that when her teen-age child started singing the lyrics to an alcohol commercial, she decided to restrict their airing on her Midwest station, while another manager said his decision about whether to air one alcohol commercial came down to "money, pure and simple." Another recounted how his heritage information-based station "rejected more commercials than anyone else in America" because he didn't want to jeopardize many years' worth of credibility with the audience.

But a general statement of "it depends" is an unacceptable answer from an academic standpoint. Management literature recognizes that some managerial decisions are made without explicit rules, but research can help us quantify what influences these decisions.

The focus of this study is why alcohol advertisements are accepted or rejected by managers. Other alcohol-related areas will be probed due to the current controversy over stations' alcohol advertising policies. For example, advertising policies toward at-risk populations will be surveyed. Due to the special concerns about underage drinking and the high levels of alcohol consumption and alcohol-related diseases reported among minorities (Lex, 1987; Rebach, 1992), the project will ask whether stations have special policies or concerns about advertisements reaching these individuals.

As indicated earlier, there is currently no outright prohibition on alcohol advertisements, although several proposals have been made that would have the effect of outlawing these advertisements. An important question is how seriously such informal governmental warnings, and calls by regulators to be "responsible," are taken by station management where there is an absence of a direct power by the government to punish?

Other questions about alcohol advertising must be addressed as well. Is the money to be generated by selling alcohol advertisements the primary factor in deciding whether to sell them a spot? Is self-discipline by broadcast professionals a more important factor in the slow spread of these hard liquor advertisements? How do the audience and community served by a station influence a manager's decision?

As the literature review will make clear, this dissertation strives to create a model which explains the wide variation found in the acceptance of alcohol advertisements. The remaining chapters quantify these influences, empirically test these factors and, finally, provide a systematic way of understanding this heretofore seemingly random behavior.

Chapter 2

Literature Review

The central question this study seeks to answer is what kind of alcohol advertising a radio station's management permits and why. Based on the managers' responses to questions about their current policies, the types of alcohol advertisements fall into a clear hierarchy in the degree to which they are accepted. The lowest is the absolute prohibition on any alcohol-related advertisements, while the highest represents no restrictions by station management on the acceptance of advertisements for alcoholic beverages. This measure, discussed in further detail in the methods section, is the dependent variable for the study.

What factors does the research literature suggest will account for this empirical variation? Though no model specifically addresses alcohol clearance, general models of how media professionals make decisions abound. Researchers agree that studying decision-making is a complex task, made even more difficult because, by definition, media outlets must arbitrate between the advertiser and the public. Media serve as the link between those who wish to broadcast information about their ideas or services and the general public. In turn, the public satisfies its informational needs from constrained content choices offered by the media. The media's crucial filtering or gatekeeping mechanism is a central focus of much communications research. This research project examines how station managers take into account economic, ethical and audience factors when they decide to run alcohol-related advertisements.

Day (1991, p. 27) recognizes six different levels of responsibility for an individual when he or she makes a decision. An individual must balance duties to him or herself, the objects affected by the decision, financial supporters, the institution the decision-maker is associated with, professional colleagues and the society at large. In the case of alcohol advertisements, a station's general manager may find his personal opposition to alcoholic advertisements outweighed by his station's need for revenue, or he may find his personal reluctance to air the advertisement reinforced by his peers who also disapprove of such advertisements. These complex trade-offs are at the heart of models of ethical decision-making.

McQuail (1998, p. 191) conceives of the media organization existing at the crossroads of a field of social forces. At the core, technical, management and professional issues dominate decision-making. On the outside, economic, social and political pressures, audience demands and even outside events shape what happens within a media organization. In her analysis of media power, Graber (1997, p. 94) conceives of journalistic choices as being shaped by three primary factors. First, personality theory explains that an individual's personality and social background cause different journalists to make different choices when covering the same story. Second, organization theory plays a role. Different media organizations have different editorial philosophies. The philosophy of a particular organization shapes which job candidates are hired, and, once they are on board, can closely shape what the employees do. Finally, Graber highlights role theory as an important determinant of what makes the news. Role theory recognizes that media professionals are confronted with many different definitions of their function in society and each journalist chooses from among them. For example, a journalist who sees her job as being an impartial observer of events will write different stories from a fellow colleague who passionately believes in civic journalism.

A recent Pew Research Center (1999) study on the press and its performance also divides influences into a trinity. The title of that work, Striking the Balance: Audience Interests, Business Pressures and Journalists' Values, most closely matches the tripartite structure of this study. Each of these models contributes to the study of the alcohol clearance dilemma.

In his review of organizational communications theory, McQuail (1998, p. 192) points out that "most organizations have mixed goals, and rarely are they all openly stated. Mass media are no different and they may even be particularly ambiguous in this respect." A goal of this dissertation is to make some sense of the processes that guide these decisions. Indeed, for many stations, the decision about accepting or rejecting a commercial is "unprogrammed." Unprogrammed does not mean the clearance process is equivalent to magic or is guided by mood or whim. Instead it is defined as a management decision that occurs infrequently and, because of differing variables, requires a separate response each time (Megginson, Mosley & Pietri, 1989, p. 152). Revealing what factors shape the advertising clearance process and creating a systematic model to guide inquiry into this challenging area are gaps in the communications research literature. This work strives to bring transparency to the study of this formerly ad hoc, case-by-case approach to understanding media clearance of alcohol advertisements.

Economics Aspects

Since the decision to accept or decline an alcoholic beverage has an immediate effect on a station's revenue and, therefore, its profitability, the subject of economics is often not far removed from any discussion of contemporary advertising. Shoemaker & Reese (1991, p. 223) note broadcast media are even more sensitive to the economics of advertising because, unlike competitive media such as magazines and newspapers, they do not have subscription revenue to lessen their dependence on the advertising market.

Profit maximization is a basic tenet of microeconomic theory, otherwise known as theory of the firm (Amacher & Ulbrich, 1986). In this theory, a manager seeks to maximize revenue while minimizing cost. Baumol & Binder (1985) argue that, even though the firm may not be able to maximize the profit in every situation because of such problems as a lack of complete information, profit maximization remains the central business goal of a for-profit business. Applied to a broadcast outlet, profit maximization is incompatible with refusing any legal advertising since such an act lowers the total revenue a station can accrue. An exception to this would be if carrying the alcohol advertising produces such a negative response that the total cost of transmitting the advertisement exceeds the revenue it produces, but no evidence could be found to support this conjecture. Ross (1996) reports that the handful of television stations that have carried the controversial hard liquor advertisements report "a notable silence." In short, there has been neither a public outcry where hard liquor advertisements have aired nor, so far, any reported economic retribution for airing these ads. If stations exist to maximize revenue, why do broadcasters refuse to run some advertisements? Clearly, other factors must temper the simple economic urge to maximize revenue since, for a broadcast station, advertisements are the primary source of revenue to cover the station's expenses.

It is common to see the ads for beer and wine described as "highly lucrative" (Haar, 1996) or described as a "substantial" source of revenue for broadcasters (Lilley & Penner, 1990, p. 60). However, it is unclear from a literature review whether the relatively high dollar amount per unit of time sold to beer and wine advertisers is a result of the time periods bought, the quality of audience delivered, a result of limited time slots available for such advertisements, or simply a penalty by broadcasters for advertising an unsavory product.

From the perspective of an alcohol advertiser, media buying is a complex business. Radio stations compete with 1500 television stations, 1500 daily newspapers and more than 12,000 magazine titles, in addition to countless billboards, Internet sites and other nontraditional media, as places where advertisements can run. Merskin (1999, p. 104) notes a media buyer's decision function is to "use a combination of mathematical skills, research tools, and common sense to come up with the forms of media that will best attract the audiences desired by the advertiser, all within a specific budget."

Research by Fournier and Martin (1983) support Merskin's anecdotal assessment of media buying being a location of aggressive competition. Their research shows that the market for advertising spots on broadcast media is competitive, and their research on the price for a unit of advertising shows no signs of market power on the part of stations or advertisers. However, more recent research by Seldon & Jung (1993), while broadly agreeing that the various media industries are in direct competition with other media. indicates some inelasticity for demand for advertising on broadcast media. They conclude that, at least for some advertisers, broadcast media perform better than other media and are less readily substitutable. Inelasticity is also a theme in Lilley & Penner's (1990) research on the state of the advertising industry. Their research indicates that broadcast media are dependent on the advertising subsidy provided by beer and wine manufacturers, and the absence of these advertisers would have adverse effects on programming and employment. Indeed, their econometric work shows that some media outlets would cease to exist if certain advertisers were forbidden from using the public airwaves.

These conflicting results indicate that advertisers and the media engage in a careful negotiation over advertising and its price. Learning more about this negotiation and its terms and conditions would contribute to the literature on advertising placement. This project probes whether advertising time is indeed sold at a premium to alcohol manufacturers and distributors. If so, does this price differential affect the station's alcohol policy? How does the competitiveness of broadcast versus print media affect the placement decision?

How do we measure the economic strength or weakness of an individual broadcast outlet without access to sensitive, generally confidential, financial information? Without knowledge of each station's balance sheet, we can make assumptions about the relative bargaining strength of the radio station involved. Though primitive, a proxy of how much economic power a station has can be gained through the use of variables often associated with a station's technical and financial strength which are easily available from standard broadcast references. Some stations, by virtue of their larger size, better facilities, or media synergy, have more competitive ability than other stations.

While the relationship between financial factors (such as a large number of co-owned stations) and economic strength is readily apparent, a simple example demonstrates the interplay between technical facilities and economic success. As Albarran (1996, p. 62) notes, FM signal quality is better than AM, and FM stations have been more popular than AM stations since 1978. Contemporary ratings analysis reports a three-to-one lead for FM stations over AM stations in the battle for listeners. Not surprisingly, FM stations, as a rule, are much more profitable and valuable to owners than AM stations. Other scholars, confronted by the same lack of direct knowledge about a station's financial status, have tried to measure it using variables that approximate economic strength.

As stated earlier, radio stations' clearance policies have been little studied. Most research that has been done focuses on television, not radio. Research by Wicks (1997) on the broadcast of so-called "infomercials" -- program-length advertisements for such controversial products as baldness cures, sex lines or investment schemes -- by television stations found that clearance patterns varied. Wicks coded a television station's strength based on network affiliation, broadcast band, market size, cable penetration and number of station employees. She found that television stations that frequently air infomercials were independent stations. In contrast, more successful network-affiliated stations avoided airing infomercials. Given that infomercials and liquor advertisements are both perceived as socially undesirable programming, and that weaker TV stations in markets with strong competition were the most likely to air these infomercials, economically weaker radio stations may be the most likely to air alcohol advertisements.

Owen (1973) tested the effect on television advertising prices when a newspaper and a television station were owned by the same party in the same market and used such variables as the market's population, average income, VHF-UHF status, network affiliation and ownership status. Owen's hypothesis was that stations with better quality programs, larger coverage areas, demographically favorable audiences and powerful owners would have higher advertising revenues.

Bates' (1991) study of the price of television time used four categories of variables: station measures, market size measures, market quality measures and market penetration measures. By station measures he referred to such variables as the number of competing stations within a market, station coverage, VHF-UHF status and network affiliation. The market size measures are related to the number of people within the television market. Market quality related to purchasing power of consumers within those markets. Market penetration referred to availability of cable or UHF capable televisions.

Of more relevance to this study, Bates' (1995) study of radio station values uses similar independent variables such as market size and quality measures, but to measure a radio station's technical aspects he uses station power, daytime-only status (for AM), tower height (for FM), year of last sale, frequency, and the number of competing stations. These station attributes "indicate the strength and degree of any station's coverage area. For example, higher powered stations tend to have greater coverage areas, and thus larger audiences, than do lower powered stations" (p. 15). Bates' study of station value emphasizes the importance of a station's signal reach. Stations with greater reach have a larger potential audience, thus enhancing a station's economic status.

Borrell (1997) argued the following technical factors are important to a radio station's competitive ability. First, whether the station broadcasts on the AM or FM band. A second factor was the station's transmitting power that measures the area that a station's signal can reach. The frequency a station is assigned by the FCC affects how well a station is received by a potential listener. Since FM signals travel in a "line of sight" manner, the height above ground that an FM station's transmitting equipment is placed plays a significant role in determining that station's potential audience. Stations that utilize a directional antenna have a more limited coverage area than an omnidirectional transmitting pattern. Finally, AM radio stations that are limited to daytime-only status suffer because of their lack of access to the audience in the evening hours.

All of these variables are related to the technical strength of the radio station. They directly measure how powerful the station's signal is. Stations with more powerful signals have a larger potential audience, and these stations are able to charge higher advertising prices to potential customers. Given the use of these variables in previous studies, they will also be used for this dissertation's analysis of a station's technical, and thus economic, strength.

Of course, having a powerful signal is only useful if there are potential listeners for the advertisers. Stations in sparsely populated areas are less appealing to advertisers than a similar facility located in a big city. Estimating the population in the area served by a radio station also serves to measure the size of a station's potential audience. All of these variables indirectly measure the value of the audience the station may potentially sell to advertisers.

Borrell's (1997) second group of variables served to assess the financial situation of a station's owner and will also be used here. The number of stations owned has proven to be a useful proxy for the financial strength of the owner. This strength is measured in two ways. The first measure is the ownership of stations in markets across the United States, known as group ownership. A second measure of this strength is the number of stations owned in the same market. The simple ability to own a number of stations indicates financial strength. There are clear economies of scale in controlling several stations because of cost advantages that come from operating efficiencies in combining otherwise separate organizations. Another proxy for financial strength was how long the station had been owned by the same party, because financial theories suggest that longer tenured owners tend to be financially stronger owners. Also, this variable indirectly measures the equity that a broadcaster achieves in a community, which comes from long-term professional and personal relationships.

These variables make it easy to separate broadcasters into such categories as large, financially savvy group owners; smaller "mom and pop" broadcasters; or struggling, independent operators. What do we known about how the public is served when a local station is owned by one of these different types of owners?

Wicks (1997) concluded that the economically weaker stations were the most likely to air infomercials, which she describes as an unsavory form of commercial for such services as hair loss treatments and get-rich-quick schemes. Her research found that stations operating in the red (or at the margins of profitability) are the ones most in need of revenue who tend to be the least likely to refuse these ads, thus potentially exposing the public to harmful advertisements. There is an historical basis for this claim. Kahn (1978, p. 577) notes that the history of the NAB Code shows that the stations least likely to enforce the Code were those stations operating in areas where advertising revenue was small. These stations were described as being unable to afford the "luxury of integrity."

On the other hand, Wirth & Wollert (1976) found that chain (group-owned) stations did more news than non-group owned stations. Since the public benefits from knowledge about local events, weather and politics, we may presume that these stations owned by larger owners are better able to serve the public interest than a smaller, more locally focused owner.

McManus (1994) discussed the attention station managers pay to the stock market. He argues that publicly traded media conglomerates expect their managers to produce content that will satisfy the financial markets where the shares of media companies are continually traded. As media organizations such as newspapers and television stations become more and more like other publicly traded companies, they respond more and more to the market and lose their focus on community service. Thus, while media outlets owned by chains may indeed produce more news, McManus would argue that much of the news content produced is debased (he equates it at one point to "junk food") compared to content produced by those companies with more stable ownership.

Christians, Ferré & Fackler (1993, p. 157) note a difference between a newspaper owned by the Gannett chain and one owned by a local family. Gannett owns dozens of newspapers, and its attention is divided among its media properties. Gannett has a policy of transferring all net profits from local newspaper bank accounts back to headquarters every night, and its owners, who generally live outside the circulation area of the local papers, are keen for profit. In the researchers' experience, chains are less likely to reinvest the lion's share of their profits back into the papers whereas locally owned papers do. However, media ownership concentration in itself does not mean low quality or poor public service: "[T]he Donrey chain (of newspapers) is known for high profits and low-quality newspapers, but Knight-Ridder won seven Pulitzers in one year and is not imprisoned by shareholders."

Summarizing the literature, Shoemaker & Reese (1991, p. 141) note that group ownership of media properties has both positive and negative aspects and that it is difficult to find specific rules to explain group behavior. As Rivers, Schramm & Christians (1980, p. 108) note, "some conglomerates do infuse new dollars into their media outlets and expand [community] services. Several seem to operate only by the bottom line - the profit and loss statement." To some extent, the lack of clear-cut, quantifiable evidence against group ownership is one of the reasons the federal government has allowed great consolidation of ownership in the 1990's. This study explores the correlation between the type of media owner and the clearance of alcoholic beverages. Answering this specific question would be a contribution to the literature on how concentration of media ownership affects media content.

Finally, given the growth of employee ownership, how employee ownership affects the management decision to air alcohol commercials should be explored. It is axiomatic that owners behave differently than those who have no long-term stake in an enterprise. A related point is that employee stock ownership has become an increasing part of American capitalism. Corporations employ this strategy for several reasons. First, they encourage employees to overlook the fact that most of their income will come from wages and instead identify more with capital and the owner's interests. Second, the equity ownership binds employees to a company for a longer period, making employees less likely to move to other sources of employment (Jenks & Zevnik, 1993).

Ethical Factors

The view of broadcasters as ethical agents is not new. In their classic media management text, Quaal & Martin (1968, p. 28) argue that a good station manager must be an ethical person: "The station manager must be a man of strong character.... The manager should be a religious person who has humility and (in the broad sense) depth of character." They also emphasize that an ideal manager must have a sense of social responsibility and "values."

But what justification do we have to consider these personal factors? Managers, given the state of flux over the legality of hard liquor alcohol advertisements, were often making policy on the acceptability of these commercials since corporate and federal policies had, for the most part, not been determined. Therefore, managers, based on a review of trade publications such as Radio & Records, were, at the time, setting policy. This kind of ambiguous situation is not unique. In particular, Shoemaker & Reese (1991, pp. 55, 220) argue that when media workers cover subjects or issues without established routines or rules, personal factors such as background, experience, values and ethics will be relatively more important than organizational ones. This dissertation makes the same claim. Since the alcohol question was open to broad interpretation, the personal factors of managers played a significant role. Therefore, it is important to examine their values and ethical decision-making. Exploring the alcohol clearance as an ethical question is also supported by the modern academic literature. For example, Hyman, Tansey and Clark (1994) note that over a dozen articles have appeared just in marketing journals since 1987 studying various aspects of the ethics of alcohol advertising.

Though the terms are often used interchangeably, Mark Alicke (1983) explains the difference between ethics and values. Both go beyond the traditional boundaries of social science to address questions of what ought to be and to define states of goodness. However, values address the nature of end states and goals whereas ethics concentrate on moral values and the relative worth of different courses of action.

Albanese & Van Fleet (1983, p. 89) define values as "basic beliefs, they are beliefs about things that people think are important and they are abstract ideals." In particular, values are enduring and difficult to change. Albanese & Van Fleet (1983, p. 104) theorize that "values are formed, developed and changed through a dynamic process of life experiences. They are learned as a result of situations in which people are directly, indirectly, or vicariously involved. These life experiences occur within various contexts.... Their impact on value formation depends on factors such as age, sex, education and race." Thus no discussion of values and ethics is far removed from a discussion of demographics, and several empirical studies have examined the relationship of values and demographics.

Age is probably the most studied variable. For example, Shamir, Reed & Connell (1990) found that among 198 public relations professionals, the best predictors of an individual's reported amount of professional ethics was his or her personal ethics, age and experience. Davis (1994) surveyed 206 advertising professionals and found that older members of advertising agencies were those most likely to weigh ethical factors when making media decisions. Albanese & Van Fleet (1983, pp. 107-113) report that age has proven to be a powerful factor in explaining value differences between younger workers and older workers. Younger workers were found to be more concerned about money, while older workers had stronger work habits and better attitudes. Even after controlling for other variables, the relationship held true.

Gender has also been studied as having a role in the values process. Evidence here is mixed. For example, Haan (1986) found that men and women approach ethical decision-making differently. In his study of journalistic ethics, however, Voakes (1994, pp. 105-106) reports no clear differences between male and female responses to workplace dilemmas.

What role does choice of postsecondary education play in values-related decision-making? Although the causality is unclear in this case, some studies find that business majors react differently to ethical situations than students studying other fields. For example, Kennedy & Lawton's (1998) literature review cites four different studies that report "business majors were more tolerant of questionable business practices than were non-business majors." On the other side of the equation, Shoemaker & Reese (1991, pp. 220, 223) argue that a "communications" type college degree produces media workers who make different content decisions than non-communications majors and that some employers, such as newspapers, significantly value and reward these differences. They also note "upper-level media management personnel whose background is on the business side of the organization are more likely to make decisions based on economics rather than on professional considerations." No research has explored how broadcast managers with different college majors approach the advertising clearance process.

However, demographic influences on advertising clearance are not the main issues at hand: different conceptions of values are. Within the extensive literature on ethical dilemmas, there exist many models of ethical decision-making [Forsyth, 1980; Reidenbach & Robin, 1990; Potter (as cited in Christians, Rotzoll & Fackler, 1991); Jones, 1991; Harrington, 1997]. Unfortunately, at this point, there is no widely accepted model for studying how ethics influence decision-making. The Hunt & Vitell (1986) model has been chosen as a base model for the ethical factors of this study. It has several advantages over other models in the field of ethics. First, the model was developed to be relevant to the fields of advertising and marketing. Second, this model was designed to be used in applied contexts, and care was taken to operationalize key variables. Third, others have used this model as a basis for further work and found it suitable.

While Wicks & Abernethy (1997) claim "no study has specifically examined whether employees who consider ethical beliefs important when clearing ads exhibit different advertising clearances" from other employees, such work, using slightly different terms of analysis, has been done by this group of researchers and their students (Hunt & Vitell, 1986; Singhapakdi & Vitell, 1990, 1993; Nwachukwu, 1993). In particular, Nwachukwu's (1993) dissertation explores whether ethical differences among marketing and advertising professionals are reflected in their approval or disapproval of several proposed magazine advertisements. For example, advertisements for products like tobacco or expensive tennis shoes were judged more harshly if they targeted immature consumers or were judged by the marketer to be harmful in and of themselves.

The Hunt & Vitell (1986) model argues that personal, cultural, professional, industrial and organizational value factors influence ethical decision-making. For example, the Hunt & Vitell model claims that the following personal characteristics affect ethical decision-making: religion, value system, belief system, strength of moral character, cognitive development and ethical sensitivity. Unfortunately, the Hunt & Vitell model is large and complex. Most researchers have only focused on a partial test of their model. From previous work with this model, several theoretical constructs show promise in predicting the alcoholic beverage policy of a broadcast station.

The first construct is that of attitudinal values, which can be defined as the role that basic attitudes towards life play in a person's everyday decision-making. The values tested here are based on the work of Rokeach (1973) and Kahle (1983). The use of

Kahle's List of Values is warranted because research studies have found it reliable. Among the other advantages of the List of Values over other measures are the public domain nature of the instrument, the more contemporary wording of the instrument than earlier instruments on values, and the relatively quick entry of data by respondents (Kahle, Beatty & Homer, 1986). In particular, Kahle, Beatty & Homer claim the List of Values better predicts major life choices such as marriage and consumption than Rokeach's work. In addition, it has been used to classify individuals on Maslow's hierarchy of needs.

The List of Values (LOV) asks respondents to rank nine different values: sense of accomplishment, excitement, fun and enjoyment in life, being well-respected, self-fulfillment, security, sense of belonging, warm relations with others and self-respect. These values have been found to have a strong correlation with demographic factors. Kahle (1984) reports that other additional supporting research shows the LOV measure gives us a deeper understanding of a person's psychology than simple demographic measures.

For example, Piner (1983) conducted a study of how individual's relative ranking of attributes on the List of Values was related to various outcomes of the person's life. Individuals who said self-respect was very important tend to be home owners and college graduates. Security was favored by the very poor and uneducated. A sense of accomplishment, fun and excitement were more male-oriented, while warm relations with others and a sense of belonging were popular among married and unmarried females. Blacks and Hispanics valued security more than whites. Fun and excitement were reported as being more important to young men than older ones. Self-fulfillment is a value generally rated the most highly by college graduates. People who experienced the Great Depression were more likely to report security as an important value (Kahle, 1983, p. 95).

Those explicitly interested in the relationship between values and advertising behavior have used the List of Values. Singhapakdi & Vitell (1993) tested the LOV on marketers and found that those who ranked high the values of "having self-respect" or "being well-respected" had more ethical responses to several ethically challenging scenarios. However, Nwachukwu (1993) found these personal values as having poor predictive power, with the possible exception of individuals who were high in the construct of "sense of accomplishment." These individuals gave favorable ratings to advertisements for harmful products.

Singhapadki & Vitell (1993) and Nwachukwu (1993) have both tested a scale described as professional norms and found individuals who strongly agreed with these values to have more ethical and consumer-centered actions. The basic professional norms list comes from nine items found in the code of ethics of the American Marketing Association. They cover such constructs as the "honesty, fairness, rights and duties" of marketers. Their scale was found to have high reliability and was predictive of marketers' responses to a series of hypothetical scenarios.

Since both are concerned with the relationship between advertising and values, the Hunt & Vitell model may be contrasted with the work of Wicks & Abernethy (1997). Wicks & Abernethy's data on television personnel show that employees with high personal ethical standards enforce tougher advertising standards and help protect the public. After data reduction, they imply a model of four items, which they identify as "ethical belief statements." These items, like the work of Day (1991), posit the general manager as influenced by responsibilities to different stakeholders. Sometimes, these responsibilities are at cross-purposes. Specifically, Wicks & Abernethy (1993) test four items: belief in personal ethics, concern for high profits, concern for negative response from other advertisers and concern for negative responses from the station's audience. A separate analysis of the items found each has an ability to significantly explain important parts of the clearance process on television stations in their sample.

It should be noted that Nwachukwu was generally disappointed by how poorly the Hunt & Vitell model's background factors explained the variation he found when these participants judged the ethics of several print advertisements. This finding is especially important since his study is one of the few to actually study the behavior of marketing professionals. These results are hard to reconcile with Wicks & Abernethy's tentative findings that personal characteristics carry over to the workplace.

The Hunt & Vitell model hypothesizes that the environment of an organization can be defined by its informal norms of behavior, formal written codes of ethics and how well these formal codes are enforced. Because quantifying the informal norms of a company can be difficult and the rigor of enforcement can be problematic, most researchers have focused simply on whether a company has a code of ethics. Others have focused on the influence of a code of ethics on communication organizations. For example, Christians, Ferré & Fackler (1993, pp. 135-139) note that a code of ethics is broadly used in media companies to create an organizational conscience, a sort of self-regulation. "Various broadcasting and newspaper companies are now adopting codes at a mushrooming pace." Two common criticisms they report of codes of ethics are that they are simply public relations tools and that some media organizations have avoided creating and enforcing a codes of ethics for fear they would increase the organization's legal liability. Christians, Ferré & Fackler report several anecdotes where codes of ethics led to positive changes, but they note that support of upper management is vital. "Even in small shops, written codes have the effect of building a tradition of respect for professional norms and even-handed fairness." Thus the presence or absence of a code of ethics needs to be probed.

The most contentious set of ethical variables relates to religiosity and religion. Wilkes, Burnett & Howell (1986) developed a variable called "religiosity" and argued that it played a role in the value-clearance relationship. To this end, simply going to church does not capture how well integrated religious values are in shaping everyday behavior. Wilkes, Burnett and Howell have established a reliable scale measuring religiosity. In the field of values and advertising, Nwachukwu (1993, p. 285) notes that "religious orientation has been shown to influence several aspects of lifestyle," although his own study found only partial support for the measure. Given the long history of religious involvement in the alcohol question, religiosity will be examined to explain the influence of this variable on the general manager and his decision-making. Surprisingly, a literature review indicates that, while questions of the strength of religious belief have been asked, questions about the role of a particular denomination in shaping values and advertising clearance responses have not. As Gormly (1999, p. 24) puts it in his discussion of journalists and religion, "[r]eligion is now, as it virtually always has been, an integral part of American life.... religion's influence extends into the public realm, as well -- explicitly and implicitly" via discussions about various social and political issues affecting the public sphere.

Hunt & Vitell's (1986) model demonstrates that a person's religion operates on two levels. It affects the person who participates in religious activities, and it also acts on individuals who do not share the same faith through the spread of religious influence throughout a culture. Social capital theorists argue that another effect of religion is that religious activities simultaneously build social bonds, which help individuals create more ethical relationships, goodwill and trust (Civil Practices Network, 1997). As Putnam (1995) notes, religious groups are the most common social grouping of Americans.

Going even further into the dimension of religion, Carlin (1966) found differences in the ethical stands of lawyers of different religious faiths, although this variable was confounded with the type of law practice. Working under the auspices of the Bureau of Applied Social Research, Carlin (1966) studied the New York City bar by asking lawyers to respond to thirteen ethically challenging case studies involving, for example, a divorce, paying a referral fee or finding that a client has violated an oral agreement with a third party. Whereas Protestant lawyers were the least likely to face ethical dilemmas in their everyday life, they also reacted more ethically to Carlin's hypothetical scenarios. Given the previous research on religion, as well as the fact that various faiths have dramatically different policies toward alcohol consumption, this study explores whether a manager's religious denomination influences his acceptance of alcohol advertisements.

Carlin also found that lawyers with the lowest status and poorest practices were the most likely to be exposed to pressures to violate ethics. They were also the lawyers who were least subject to pressure by their fellow lawyers to conform. Carlin (1966, p. 169) believed that those occupying low positions in the bar, who tended to be non-Protestants, were destined to face regular ethical dilemmas because members of elite law firms, chosen from the best law schools and higher social classes, were able to insulate themselves from the unpleasant work of handling clients with criminal or divorce work. Carlin (1966, p. 177) noted that the stratification of the bar into different classes leaves some lawyers with the most undesirable clients and cases. This "audience" of clients, in Carlin's view, helps to deprofessionalize these lawyers.

Audience Aspects

This section of the dissertation uses the social responsibility theory as a guidepost (Rivers, Schramm & Christians, 1980, pp. 43-50). The social responsibility theory argues for the responsible performance by society's media organizations through self-regulation by owners and media practitioners, thereby avoiding the extremes of direct government control over content (an authoritarian media regime) and the excesses of a completely libertarian philosophy. The social responsibility theory grew out of the public's dissatisfaction with the media and was strongly represented by the 1940s Commission on Freedom of the Press. One important criticism was that the mass media were loyal to business and the bottom line, not to the public, and often let advertisers control the content of the media. Therefore, what effect, if any, does the audience for each station exert on the alcohol clearance decision, or are the advertisers in complete control?

McQuail (1997, p. 27) notes that for broadcast stations, the audience shares one significant component - that of location. "Local media can contribute significantly to local awareness and a sense of belonging. Local residence defines and maintains a wide range of media-relevant interests. Local media advertising serves local trade and labor markets. Social and economic forces together reinforce the integrative role of local media. Even if the local medium goes out of business, the local community that forms its audience will persist." To better understand the influence of audience factors, this third cluster of independent variables can be divided into two components: those factors related to a station's programming and those related to the community served by a station based on its geographic location.

Virtually all radio stations use format programming. Webster & Lichty (1991, p. 26) describe a format as "an identifiable set of program presentations or [a] style of programming." Common formats include contemporary hit radio, a Top 40 format with strong appeal to teens, and adult contemporary, a mellow format designed for adults. Stations, faced with a competitive environment, use formats to attract certain narrow audiences and keep these audiences consistently loyal over time. Thus, listeners develop a sense of reinforced identity with their favorite radio station and its specific style of programming.

Little research exists about different formats and how they relate to alcohol clearance. For example, sales consultant Irwin Pollack (2000) dismissively describes the typical advertisements on a rock station as being "beer, bars and used cars." But the impact of format on clearance is ripe for exploration since radio stations effectively segment the general population. For example, radio stations program formats designed to reach African Americans, Hispanics and even children (Unmacht & McCrummen, 1996, p. 13-17). Thus, many station formats correspond with the research on "at-risk" populations. This study explores whether stations broadcasting to a large minority population, or to a large number of underage individuals, have different advertising clearance patterns than other stations.

Many stations carry sports programming along with their music or spoken word formats. Sports programming on television often has alcohol advertising. This project explores whether radio stations that carry large amount of sports programming also clear a variety of alcohol commercials.

To control for advertisers merely seeking audiences with an existing predilection for alcohol consumption, the marketing research on different audiences' alcohol consumption patterns is explored. Are stations whose audience members already consume large amounts of alcohol more likely to clear these commercials?

Another programming factor to be considered is whether the station is locally programmed. Through the use of technology, many radio stations no longer originate their programming from their city of license, relying instead on satellite feeds or automation (Borrell, 1997). Since radio stations that are not locally programmed are less connected to the community and less immediately responsive to their audience, these same stations may be less likely to resist lucrative alcohol advertisements.

In contrast, local stations that have programmed the same format for a long period of time have more of an identification with their local community. For example, employees are likely to have lived in the community for years and will be well known to residents. Are local stations with format tenure systematically different, in terms of alcohol clearance, than stations with a shorter history with the community?

A final programming factor is the relative value of the audience. It has been demonstrated that some audiences are worth less to advertisers than other audiences. For example, there is substantial economic evidence that minority audiences are undervalued in other broadcast environments. Flint & Snierson (1999), using figures from the 1998 season on the WB television network, suggest black audiences are priced at only half the value of a similar sized, predominantly white audiences. In a similar vein, a BIA Research study of the Miami market reported by Stark (1999) showed that an Univision affiliate, despite having the largest audience of any Miami television station, makes only half per audience member than the Miami Fox affiliate. Applied to radio, are stations whose audiences are modestly valued by advertisers more likely to carry alcoholic beverage commercials in order to make up the revenue lost to this price discrimination?

Station management must consider not only the audience delivered by the station, but the larger community and public in that specific area served by the station, in order to remain a viable media property. A unique feature of American broadcasting is the local licensing of stations. For example, national networks are not licensed by the FCC, but local stations are. Broadcast outlets, confined to serving the area surrounding the station's city of license, inevitably reflect the unique characteristics of that community since potential audience members are necessarily members of the community. Through programming and advertising choices, managers craft their station to reach an audience and serve their community.

It was earlier hypothesized that media employees who are connected to the community behave more responsibly. Therefore, the relative level of civic participation among management employees is studied to see if it correlates with the alcohol clearance decision. As discussed earlier, community connections, a major variable for social capitalists, often come from religious activity, although it can also come from secular community activities. In addition, this probe allows a more complete test of whether concern for the community correlates with the alcohol clearance decision. More critically, exploring this question allows us to see if both religious and secular social engagements are effective in building this hypothesized sense of greater responsibility towards alcoholic beverage advertisements.

Alcoholic beverage industry market research demonstrates that some parts of the country have very different alcohol consumption patterns than others (Adams/Jobson Publishing, 1996). This study asks whether the relative level of alcohol consumption in an area correlates with a local station's willingness to air alcohol commercials.

It is clear than regional differences are an important part of the American experience. Radio research has established that different parts of the country have different preferences for music. It is common knowledge that country music is very popular in the South (Hall & Hall. 1977, p. 106). It is also undeniable that some parts of the country, such as the Southeastern states, are more conservative than others. Therefore a station located in the more conservative part of the country may be more hesitant to air all types of alcohol commercials, fearing a community reaction.

A related concept is the percentage of Baptist residents in an area. Jenkins (1998) reports that research has shown "the single biggest indicator of state laws against gambling is the proportion of Southern Baptists in the population." Given the vocal opposition of the Southern Baptists to alcohol, does the presence of a large percentage of Southern Baptists in the community influence the station's alcohol policy?

Finally, the size of a station's staff needs to be considered. If community involvement is related to the alcohol decision, the sheer size of the station's local staff dictates the number of community connections that can be formed. It also indicates the owner's commitment to the audience through their allocation of human resources. Financial resources are also revealed by this measure since funding human resources requires meeting a payroll.

Broadcast outlets, due to their use of the public airwaves and their protection under the First Amendment of the Constitution, are a unique class of business. Broadcasters often claim special privileges as a result. Indeed, the Federal Communications Commission bases its issuance and renewal of broadcast licensees in large part on the ability of a station to act in the public interest, necessity and convenience and as a public trustee. But this sets up a larger question. If contemporary broadcast stations do not weigh the needs and interests of the audience and community they serve when making decisions on such controversial topics as alcohol advertising, how is a broadcast station different from any other business?

Hypotheses

The following eight hypotheses follow from the literature on economics:

H1 AM radio stations differ from FM stations in their clearance of alcohol advertisements.

H2 A station's technical strength influences the clearance of alcohol commercials.

H3 Stations that serve larger markets differ from smaller market stations with respect to the alcohol clearance question.

H4 Stations with longer tenured ownership have different alcohol policies than stations with newer owners.

H5 Stations whose owners control a large number of stations have different alcohol polices than stations whose sole radio interest is that one station.

H6 Managers of stations who own at least some of their station have different alcohol clearance patterns than managers who are only employees.

H7 Alcohol beverage commercials are charged a higher rate due to a risk premium compared to other commercials accepted by the station.

H8 Stations that compete more vigorously with print media will have different alcohol placement patterns than stations that do not.

The following seven hypotheses are derived from the above discussion on ethical factors:

H9 Demographic factors such as the age, education, gender, relative income and race of the general managers are associated with differences in the clearance process.

H10 The college major of the manager influences the alcohol clearance decision.

H11 Stations with written codes of ethics have different alcohol clearance policies from stations without one.

H12 Long-term attitudinal values held by general managers relate to their alcohol advertising clearance decisions.

H13 The religious affiliation and religiosity of the manager are related to the alcohol clearance decision.

H14 A general manager's self-reported belief in professional values influences his or her alcohol clearance polices.

H15 Wicks & Abernethy's measures of ethical belief items are correlated with alcohol clearance.

The following hypotheses come from the literature review on audience factors:

H16 Alcohol commercial clearance varies by format.

H17 The age, sex, race and income of a station's target audience affects the alcohol clearance decision.

H18 The alcohol consumption behavior of the audience plays a role in the clearance decision.

H19 Radio stations that rely on local programming have different alcohol clearance patterns than stations that relay programming.

H20 Stations that have maintained a stable format over the years have different alcoholic beverage clearance standards than stations with frequent format changes.

H21 The relative ability of a station's format to earn revenue per listener affects the alcoholic beverage clearance decision.

H22 Stations whose management is more involved with the community have a different alcohol clearance pattern than stations where management is not so involved.

H23 The per capita alcohol consumption of the station's service area is correlated with the alcohol policy.

H24 Stations located in conservative areas differ in their clearance of alcoholic beverage commercials.

H25 Stations located in heavily Baptist states have different alcohol clearance patterns than stations located elsewhere.

H26 Stations with larger staffs have different clearance patterns than stations with smaller staffs.

FIGURE 2-1

ECONOMIC ASPECTS

TECHNICAL FACTORS

FINANCIAL FACTORS

ALCOHOL POLICY (Number of Alcohol-related products allowed on the air)

TECHNICAL FACTORS

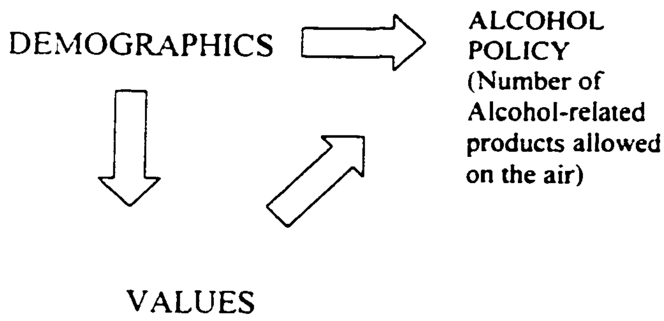
1. Broadcast Band
2. Station Frequency
3. Station Broadcast Power
4. Directional Antenna
5. Tower Height (FM only)
6. Daytime Coverage (AM only)

FINANCIAL FACTORS

1. Market population
2. Length of ownership
3. Number of sister stations in market
4. Group ownership
5. Manager ownership
6. Price discrimination
7. Competitive media

FIGURE 2-2

ETHICAL ASPECTS



BASIC CONCEPTIONS
OF VALUES TESTED

1. Code of ethics
2. Kahle's List of Values
3. Religious Values
4. Professional Values
5. Wicks & Abernethy's Ethical Belief Statements

FIGURE 2-3

AUDIENCE ASPECTS

PROGRAMMING FACTORS ⇒

COMMUNITY FACTORS ⇒

ALCOHOL POLICY (Number of Alcohol-related products allowed on the air)

Programming Factors

1. Format
2. Audience composition
3. Audience consumption patterns
4. Local control
5. Format tenure
6. Power ratio

Community Aspects

1. Civic participation
2. Local alcohol consumption
3. Conservative area
4. Baptist area
5. Full staff

Chapter 3

Methods

Unit of Analysis

Considering the evidence presented in the first chapter that the radio industry is an active location for alcohol advertising, individual radio stations were chosen as the unit of study. Radio stations were also chosen because there are relatively few television stations and cable networks to study. The radio industry is characterized by a greater variety of ownership, programming and control location than other broadcast industries. A practical demand of statistical research was also met by this decision in that the robustness of the field allowed the simultaneous testing of many independent variables that, as has been described in the previous chapter's literature review, have been theorized to have an influence on decision making. According to recent FCC figures, there are over 12,000 radio stations in the United States. Of these, over 10,000 operate commercially; that is, they support themselves by selling advertising to cover expenses (Vogel, 1997, p. 158). These commercial stations are the population to be studied.

With the unit of analysis decided and the research model specified in the previous literature review, the key methodological questions became how and who - how to reach the management of each sampled station, and who at each station should fill out the questionnaire; that is, who will be each station's informant?

After reviewing other similar studies, a mailed, self-administered written questionnaire to a random group of commercial radio stations was selected as the method for the survey. Sproull (1995, p. 194) notes that the mail method is appropriate when the questions are easily answered by the respondent, the responses are easily generated, no probing questions need to be asked and the respondents are geographically spread. However, the major disadvantage of the method is the high nonresponse rate. Babbie (1983) explains that mail surveys are superior to in-person or phone interviews for data collection because they avoid the social desirability bias and may give the project more truthful answers. While recognizing that different questions require different approaches, Simon & Burstein (1985) emphasize how expensive and time-consuming interviews can be. Two further practical matters point to a mail survey. Since a national survey was to be conducted, in-person interviews were ruled out based solely on budgetary considerations. Telephone interviews also were logistically difficult because of the large number of questions that needed to be asked.

There are some well-known problems with any study using participant responses whether gathered in person, by phone or through the mail. Sproull (1995, p. 166-167) recounts that lying is a problem, especially if the respondent is ashamed of his behavior. In addition to their right to refuse to answer some questions, respondents may incorrectly recall information or may have insufficient information to correctly answer a question. However, questioning individuals is the only way to get information on people's attitudes, values and opinions. A mail survey, where the contact is minimal and participants have an opportunity to carefully consider the questions, is the best way to alleviate lying and the potential for miscommunication that may occur with oral discussions.

We now turn to the question of where to address the questionnaire. Who at the radio station was qualified to answer these questions about alcohol advertising? In addition to their characterization of the manager as a moral person, Quaal & Martin (1968) portray the manager of a broadcast station as the center of the operation, responsible for overseeing all aspects of a station's operations, particularly sales. Therefore, this study focused on the decision making processes of that individual and directed the survey to his or her attention. In her research of television clearance patterns, Wicks (1989, 1991) has typically addressed her surveys to the sales department. Two factors influenced the decision to ask radio station general managers, and not sales managers, to fill out this survey. First, radio stations are smaller and have fewer employees than the typical television station, sometimes by a factor of ten. Second, given the current controversy over alcohol advertisements, decisions about alcohol policy are likely to come from the general manager's office rather than at the lower level of a sales manager. This conclusion was reinforced by the depth interviews conducted at the start of this study and reviews of the trade press. Thus the respondents for this study are general managers of radio stations.

The Instrument

The survey instrument used three types of questions based on a categorization put forward by Sproull (1995, p. 184-189). First, performance questions were asked such as whether the station had carried alcohol ads in the past. Second, values and beliefs were asked. These questions measured the subject's attitudes toward various ideas and products. Since attitudes and opinions are formed over a long period, they are often resistant to change, have proven good predictors of future behavior and over time have formed a core of many survey instruments. Related to these attitude and opinion questions were items that attempted to classify a person's personality traits. However, as Sproull (1995, p. 187) notes, personality measurement has proven to be "the most complex of all of the psychological measurements" and that several tests have been shown to have low levels of reliability. Finally, demographic measures were used. As Kahle (1984, p. 33) notes, summarizing a large body of literature, "[a]ge, sex, income, education, religion, geographic region, etc. have all reliably been shown to correlate with some attitudes." These variables have been found to be quite good at identifying and segmenting groups that constitute a larger population. There is also psychological research that supports the claim that life position causes attitudes. For example, it is likely that being a minority or female causes one to have different political and social beliefs from those of a white male.

The actual questions used are listed in the appendix and will be further detailed when analyzed in later chapters. Where possible, previously used questions and publicly released existing instruments were used. If needed, the questions were slightly reworded to fit the medium studied (radio) and subject (alcohol ads). The goal of using questions from the previously reviewed research was to confirm the findings of these studies and to replicate them in this new subject area. Supplemental questions were inspired by information gathered from interviews with several local general managers about their clearance policies for alcohol-related products and press reports about the relaxation of the ban on hard liquor advertisements.

As is often done in broadcast research, each respondent was given a unique, visible code for the purpose of referencing standard reference data about the station. The managers were informed of the individualization in the cover letter. This code avoided the time-consuming task of asking each respondent to enter data such as the frequency of the station on the questionnaire, which would have lengthened the questionnaire and lowered the response rate. However, because it enabled respondents to be identified, the code number may have also contributed to a lower response rate. Nevertheless, the use of the code allowed responders to be compared with non-responders to the survey. For example, various technical, programming and economic factors could be examined to ensure that all types of station were properly represented in the study. Indeed, participants were assured of confidentiality and that only general, summarized information would be reported. A note of caution needs to be added here: As an additional step to guard privacy within the database used to analyze the data, care was taken to obscure individually identifiable information from the database.

Pretesting of Survey Instrument

The major functions of a pilot test are to check directions and questions for wording, to see how much time it takes for respondents to answer the questions and to assure the researcher that the items will yield the desired information in the main study (Sproull, 1995, p. 212). A group of undergraduates, of various academic disciplines, involved in running a campus radio station were used as a test group for the draft of the questionnaire. In addition, some of these individuals participated in an oral debrief about the questionnaire.

Hypotheses and Levels of Significance

Sproull (1995, p. 55) notes that it is appropriate to use nondirectional hypotheses when there is insufficient or contradictory evidence as to the directional aspects of the hypothesis. Priest (1996, p. 158) goes further in noting that some distinguished statisticians believe the conditions for one-tailed tests of directional hypotheses are "rarely, if ever, met." In addition to making the interpretation of the results more straightforward, a strategy of using nondirectional hypotheses is also a conservative one, because researchers who use directional hypotheses are able to more easily prove their hypotheses for a given level of significance.

Reagan (1998, p. 536) reports that the most common level of statistical significance used in broadcast and social science research is .05. This figure means that we have 95% confidence in rejecting the null hypothesis and accepting the alternative hypothesis. Given this customary practice in this field of research and the fact that this is exploratory research, there was no reason to change the critical level for this research project.

Sampling Procedure

Every licensed radio station in the United States, including its territories, is listed in the M Street Radio Directory, edited by Unmacht & McCrummen (1996). The directory also contains a wealth of locational, technical and financial details about each station. With a finite population of radio stations, the need to set a sampling rate of these stations in order to guarantee a workable sample size was crucial and the literature was consulted to guide this process.

Earlier research had found that response rates vary wildly when administering ethical questionnaires. Shamir, Reed & Connell (1990) reported a high response rate of 66% for their survey of the ethics of public relations professionals while Nwachukwu (1993) reported a low response rate of only 14% for his dissertation's survey of the ethical decision-making processes of marketing practitioners. He was hoping for at least a 25% response rate given his review of other studies in the field. Nwachukwu believes that the length of his questionnaire and the large number of questions he asked adversely affected the response rate. In general, respondents are somewhat hesitant to complete a long questionnaire that asks probing questions about his or her ethics. Repeated assurances of confidentiality, proper pre-testing and the relative anonymity of a mail survey may help boost this rate, but practitioners lament the declining rate of participation for surveys in recent years. Common explanations are concerns about privacy, the increased pace of modern business life and the overuse of surveys by marketers as a sales, not research, technique.

After consulting comparable studies and reviewing budget constraints, every tenth station was taken so that approximately 1,000 packages of addressed questionnaires could be generated and, given an expected 25% response rate, at least 250 completed surveys would be available for statistical analysis. Despite taking every tenth U.S. commercial station, the number of questionnaires fell short of the 1,000 expected because the listings for some stations were incomplete. The most common reasons for omission were an incomplete address, the station being off the air or in a state of construction.

In late November of 1997, some 980 individually addressed questionnaires were mailed out. Each envelope was personally addressed to the current general manager, as was the personalized cover letter. The name of the general manager was obtained from the Unmacht & McCrummen directory. If that person was unavailable, an attempt was made to reach his or her successor. Six weeks was set as the outer limit for participants to be included in the study, so the study period ended in January 1998.

The original protocol for the study called for a phone call reminder after two weeks of the survey being in the field. Despite the fact that the Unmacht & McCrummen (1996) directory contains phone numbers, it quickly became apparent that the telephone follow-up system to confirm delivery and ask for responses was unfeasible. Based on follow-up calls to a few local stations, reaching managers on the telephone proved nearly impossible, and even leaving messages was difficult. While the survey was in the field, a second approach was used. A follow-up reminder postcard was sent to each manager at the three-week mark. Though it is impossible to tell for certain whether the respondents simply took a fair amount of time to respond or if the postcard encouraged this response, it is the opinion of this researcher that the follow-up postcard added some 3% to the final response rate (another thirty additional responses). Future researchers must weigh whether the costs of the follow-up methods justify the expense.

Sample Representativeness

It had been estimated that 25% of the surveys would be returned and produce usable results. Yet, as seen in Table 3-1, the rate fell short of expectations. Radio stations from 47 states and several territories were represented in the sample. Only three states were unrepresented in the results: Hawaii, Rhode Island and South Carolina.

Table 3-1

Survey Results

	Number	Percent
Mailed	980	100
Undeliverable	6	0.61
Replies	199	20.43
Unusable	7	
Effective	192	19.59

Although there was some disappointment with the response rate, the sample size is comparable to other published research and well above the minimums necessary for multivariate statistical analysis. However, with the low response rate, it is reasonable to raise questions about the representativeness of the sample. Since a database of radio stations was used to generate the addresses and each questionnaire was given a unique, hand-written response number, it was possible to systematically compare the stations of managers who responded with those that refused to participate in the survey. In this analysis, the question was how representative were the stations that are in the sample compared with the stations of non-responders?

No significant difference was found between non-responders and responders in several critical variables at the .05 significance level. First, broadcast band was considered. Neither AM (amplitude modulation) or FM (frequency modulation) stations were disproportionately represented. Second, stations with limited broadcast patterns were fairly included. Third, since it was important to make sure small and large staffed radio stations were represented, a station was considered fully staffed if three separate people were listed as general manager, program director and sales manager. No difference was found between the respondents and non-respondents of large and small-staffed stations. Fourth, stations owned by companies that also owned by other radio stations were just as likely to be in the sample as independently owned stations. Fifth, new stations, which were defined as radio stations that had first broadcast in the last ten years, were equitably included in the sample. Sixth, both automated and brokered stations were proportionally represented in and out of sample. Seventh, stations located in the more conservative South were fairly included.

The statistical analysis also revealed that stations that had changed formats in the past decade were just as likely to be in the sample as more stable stations. Now, we turn our attention to individual formats. Since Unmaccht & McCrummen (1996, pp. 13-15) identify thirty-three different radio formats, it was necessary to recategorize these formats into fewer categories for statistical analysis. The following individual formats, as defined by Unmacht & McCrummen (1996), were grouped as religious for the purposes of this analysis: Black gospel, contemporary religious music, religious gospel music, religion, religious talk, southern gospel and Spanish religious formats. The following individual formats, as defined by the M Street editors, were grouped as African American targeted formats: Dance-top 40 (hip-hop), jazz, rhythm & blues, urban contemporary, rhythm & blues oldies, soft urban contemporary, urban adult contemporary. Foreign-language programming consisted of every station whose primary programming was in a language other than English with the exception of a few Spanish language religious stations which were classified as religious. As a matter of fact, the vast majority of this category was dominated by Spanish music stations. A statistical analysis revealed neither religious, African American targeted or foreign-language formats were over or underrepresented in the sample compared to the general population.

However, the statistical analysis revealed two differences between the respondents and non-respondents. The first result found was that country stations, a format chosen by some 26% of all U.S. commercial stations, were slightly over-represented in this study. The second significant finding was that stations sold in the past 10 years are slightly less likely to be in the sample. Perhaps this result can be explained in part by the fact that these stations have moved more often, and the mail database used for the dissertation did not contain the most current address. Neither problem was judged significant enough to warrant statistical correction of the sample and, in light of how well the sample matched the general population of sampled radio stations, gave confidence that the sample was not so self-selected as to make the results of an analysis meaningless.

Chapter 4

Overall Findings

According to the survey, the average general manager is a man around 46 years of age who has worked in the industry for an average of 22 years. His current employer has employed him for just over twelve years and 55% of managers are at least part owners of that station. Two and a half percent of the sample was African American, half a percent Asian American and over 90% of radio station managers described themselves as white. Four percent of the sample felt none of the categories fit and filled in another response. The most common "other" category was Native American. In a separate question, just three percent identified themselves as Hispanic, and a similar proportion refused to answer the ethnic question. Eleven percent of the sample was female while 88% identified themselves as male. These figures do not add up to 100 percent due to rounding error.

As the tables below indicate, general managers are well educated and many indicate a religious preference.

Table 4-1

Education

Educational level	Percentage
High school (or less)	18
Two year college	21
College degree	46
Graduate school	13
Refused	2

Table 4-2

College Major

Subject Area	Percentage
Mass Comm & Journalism	25
Business	18
Other Majors	35
None Given	22

Table 4-3

Religious Belief

Religious Preference	Percent
Baptist	14.6
Catholic	17.2
Episcopal	5.2
Jewish	2.0
Lutheran	5.8
Mormon	2.1
Presbyterian	4.2
"Protestant"	11.5
Refused	6.3

Though it is indisputable that income is an important variable in many social science settings, directly asking income was considered and rejected. Many people are reluctant to give such personal information to a stranger. Moreover, there is little doubt that most general managers are upper class. The average general manager earns a salary of $165,622. A general manager in the largest American cities earns nearly $236,000 while in smaller markets a salary of $85,000 is average (R&R, 1996). Given the sensitivity of the question, managers instead were asked about their relative compensation compared to other radio managers in the area in order to test whether relative underpayment compared to peers was a predictive factor. Most general managers (53%) agreed that they are well compensated compared to their peer group. 25% didn't agree or disagree with the statement and 20% disagreed that they were well-compensated.

Regarding these demographic characteristics, it can be said with 95 percent confidence that the margin of error for any individual result based on a sample this size should be no more than seven percent according to statistical theory. Indeed, this calculation of the error margin actually overstates the error since this formula assumes a small sample is taken from a nearly infinite population. In fact, this sampling error will be somewhat smaller since some 2% of the entire population of commercial U.S. radio stations actually are in the sample (Levin, 1987, pp. 389-392, 336-341). Knowing this figure allows us to compare the results from this sample with results from other research in the broadcasting field.

For example, a study of television general managers conducted by Lipschultz & Hilt (1999) around the same time as this survey found that that the typical television station general manager was 48 years of age and a white male who had completed college. Twenty-five percent of these television general managers were business majors. A slightly higher percentage reported being a liberal arts major. Some caution must be used in interpreting this published study since this research on television managers emerges from a 1997 mail survey where only 38 out of the 104 polled general managers answered for a response rate of 36.5%. Another study done by Ball State University for the Radio-Television News Directors Association (RTNDA) with a considerably larger sample size reports that whites account for 89% of total radio employment with Asian-Americans at 1%. Native Americans at 2%. Hispanics 3% and African Americans 5% (Markham. 2000).

Taken together. the demographic results and the statistical analysis of responders and non-responders discussed above support the judgment that the sample fairly represents the population despite the low response rate.

Alcohol Policy Responses

The first section of the questionnaire discussed alcohol policy. Most general managers reported that they aired commercials for alcoholic beverages.

Table 4-4

Alcohol Policy

Statement	Percent of Respondents Agreeing
My station will air all types of alcohol advertising.	24%
My station accepts alcohol ads on a case by case basis.	38%
My station limits when these ads will air.	9%
Though we don't solicit alcohol ads locally. if they come in through an agency or network. we let them run on the station.	15%
My station has a policy of refusing to air alcoholic beverage commercials.	19%

Managers also reported on the relative importance of each beverage category.

Table 4-5

Acceptance of alcoholic beverage advertising by percent of revenue

Category	Percent of Alcohol Advertising Revenue
Bars	36
Beer	45
Fortified Wine	1
Hard Liquor	1
Malt Liquor	3
Package Stores	9
Wine	5

The responding general managers provided evidence that they shaped the clearance standards of their station. When asked which parties are influencers of the station's alcohol advertising policy, 61% indicated that the decision was influenced by the owners of the station, while 58% indicated that the general manager also had input. This last figure is somewhat difficult to interpret since 55% of the general managers who responded indicated they also owned at least a part of their radio station. The license holder (station owner) is ultimately responsible for everything that is aired on a station, but it is clear that the respondents also played a very significant role in determining day-to-day station advertising policy. Despite earlier research from the field of television that showed that informants from the sales department actively shaped clearance standards (Wicks & Abernethy, 1997), no similar pattern was found here. Radio sales managers had relatively little influence over advertising clearance. at least in the eyes of the general managers in this survey.

Table 4-6

Who influenced your alcohol policy? (Numbers do not add up to 100 percent due to multiple responses)

Influencer	Percentage Agreeing
Station owners	61
Station's attorney	11
Sales manager	19
Program director	10
General manager	56
Group management	11
Others	4

The dependent variable

Managers were asked whether their station would accept. or had accepted. advertisements for seven different products or services related to alcohol. The categories were bars & nightclubs. beer. fortified wine. hard liquor. malt liquor. package stores and (ordinary) wine. Beer proved the least controversial of these products. followed by bars and nightclubs. wine and package stores. Hard liquor was carried by the fewest number of respondents followed closely by fortified wine and hard liquor.

Figure 4-1

Order of Product Acceptance (of those indicating product-by-product acceptance)

Least Likely to be Accepted

Hard Liquor

Fortified Wine

Malt Liquor

Package Stores

Wine

Bars and nightclubs

Beer

Most Likely to be Accepted

For this study, the dependent variable is the number of types of alcoholic beverages (or related businesses) the station will permit to be advertised, using a scale from zero (no alcohol advertisements allowed) to seven (all alcohol advertisements permitted). The high end of this additive index represents a willingness to advertise products with a large alcoholic content such as hard liquors (like rum), malt liquor (a strong version of beer) or a fortified wine (such as Thunderbird). On the other hand, those at the low end of the index would not permit any alcoholic product or service to be advertised.

Three issues of scale construction should be addressed here. First. Guttman scaling was considered and rejected. While hard liquor advertisements were least likely to be accepted. respondents often disagreed on the order of acceptance of other products. thereby violating the cumulative property necessary for a true Guttman scale. Twenty-six percent of respondents failed to meet the pattern of alcohol acceptance from least difficult to most difficult suggested by the total sample. This result meant the coefficient of reproducibility was under .74, below the .9 considered necessary for a valid Guttman scale. Most researchers agree that creating a simple scale based on the number of items passed is a good procedure when items fail to meet the stringent Guttman measures (Nie, Hull. Jenkins, Steinbrenner & Bent, 1975. p. 533). A second issue arises when the proposed additive scale has non-normal properties. A statistical transformation to correct the skew and ensure an additive scale would require the alcohol index to be raised to the power of 1.1434. This proposed transformation did indeed reduce the skew but was so slight as not to change the dependent variable by any significant amount. Finally. the items were transformed by factor analysis into a factor scale. This transformation was designed to spread the scale out as much as possible and to break tied responses. As with the transformed scale, this factor scale proved virtually identical to the simple additive index upon closer comparison.

Since a goal of all statistical research is to find measures and models which are easily interpretable and as simple as possible, the simple additive alcohol acceptance index proved the most effective measure of the acceptability of alcohol advertising.

Therefore it is the dependent variable for the study. A reliability test of this scale demonstrated an alpha of .8856.

Table 4-7

Dependent Variable

Types of Alcohol-Related Product Advertisements Accepted	Percentage of Respondents
0	18
1	6
2	13
3	18
4	11
5	6
6	4
7	23

Average Number of Products Accepted = 3.5, Standard Deviation = 2.5 (N = 191)

Method

In order to test predictors of the dependent variable, a wide range of independent variables will be considered. To simplify the analysis, these variables will be grouped into three broad categories: economic, ethical and audience-related. Each independent variable suggested by the literature review will be tested on how well it correlated with this dependent variable. If a variable is shown to have predictive validity, it will then be carried forward for testing in a more complex multivariate environment using multiple regression analysis to control for the various independent variables. Since the sample approached two hundred, regression analysis is appropriate and the regression estimators produced, by the law of large numbers, will be less biased and more efficient (Reagan, 1998). In these regression models, care will be taken to avoid having more than seven independent variables in a single regression and to maintain at least twenty cases for each independent variable entered.

Chapter 5

Economic Aspects

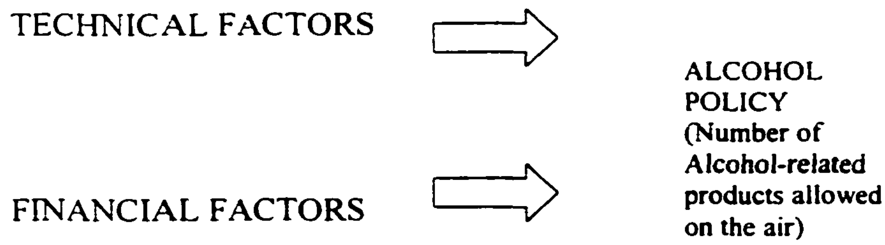
"Mass communications is a big business, and it is run by big businessmen."

- Rivers, Schramm & Christians (1980, pp. 107- 108)

This chapter analyzes the data set through a media economics approach. The chapter examines how financial and technical variables, which earlier research has found predict a station's relative strength in the advertising and programming arenas, also predict a station's alcohol advertising clearance decision. In contrast with the ethical model discussed in the next chapter, economic considerations assume that a station's financial and technical standing, generally outside the influence of the general manager, predict the alcohol clearance decision.

As discussed in the literature review, media research links certain technical and financial variables with a station's economic performance, using such outcome measures as a station's sales price or the amount of local programming the station produces (e.g. Noll, Peck & McGowan, 1973; Bates, 1989; Bates, 1995). For this research question, the following technical and financial factors are indicated as being related to the clearance of controversial alcoholic beverage advertisement.

Figure 5-1
Economic Aspects



TECHNICAL FACTORS	FINANCIAL FACTORS
1. Broadcast Band 2. Station Frequency 3. Station Broadcast Power 4. Directional Antenna 5. Tower Height (FM only) 6. Daytime Coverage (AM only)	1. Market population 2. Length of ownership 3. Number of sister stations in market 4. Group ownership 5. Manager ownership 6. Price discrimination 7. Competitive media

Hypotheses

The following hypotheses were derived from the literature and Figure 5-1:

H1 AM radio stations differ from FM stations in their clearance of alcohol advertisements.

H2 A station's technical strength influences the clearance of alcohol commercials.

H3 Stations that serve larger markets differ from smaller market stations with respect to the alcohol clearance question.

H4 Stations with longer tenured ownership have different alcohol policies than stations with newer owners.

H5 Stations whose owners control a large number of stations have different alcohol polices than stations whose sole radio interest is that one station.

H6 Managers of stations who own at least some of their station have different alcohol clearance patterns than managers who are only employees.

H7 Alcohol beverage commercials are charged a higher rate due to a risk premium compared to other commercials accepted by the station.

H8 Stations that compete more vigorously with print media will have different alcohol placement patterns than stations that do not.

Dependent Variable

As explained earlier, the dependent variable for this analysis will be the degree to which a radio station's management permits alcohol advertising. A continuum can be constructed based on responses to whether the station had (or would) accept broadcast advertisements for beer, wine and hard liquor. At one end of this scale, a response of zero is an absolute prohibition on alcohol-related advertisements. At the other end, a response of seven indicates no restrictions on the placement of legal ads for alcoholic beverages.

Technical Factors

H1 AM radio stations differ from FM stations in their clearance of alcohol advertisements.

National ratings data show that FM (frequency modulation) stations are more popular with listeners than AM (amplitude modulation) stations and therefore a better mass advertising vehicle. The difference in popularity is mostly explained by the technical superiority of the FM signal over the AM method of transmission. On the other hand, AM stations attract an older audience which may be a more appropriate target for advertising promoting drinking (Borowski, 1986). The average age of an audience member will be addressed more fully in Chapter 7.

There are 84 AM stations in the sample and 105 FM stations. Statistical analysis revealed that despite the clear technical differences between the bands, stations that broadcast on the AM broadcast band are no more or less likely to significantly differ in their clearance of alcohol commercials than FM stations ($p < .314$, $N=189$). Therefore no support was found for Hypothesis 1.

H2 A station's technical strength influences clearance of alcohol commercials.

Five independent variables are related to a technical assessment of the station. To predict the extent of the coverage area of the average radio station, factors such as the power and frequency of the station need to be taken into account. These variables are easily available and data for each station were taken from Unmacht & McCrummen (1996) and supplemented with data from Broadcasting & Cable Yearbook (1996).

Stations with more powerful signals have a larger potential audience and these stations are able to charge higher advertising prices to potential customers. Inferior technical facilities, such as a weak signal, are clearly related to poor economic performance by a station. For example, in their case study of WITH in Baltimore, Hall & Hall (1977, p. 206) identified the station's weak signal as a contributing factor to its poor economic performance.

The first independent variable was the assigned frequency of the station. This variable is particularly important for stations located on the AM band. Stations located near the bottom of the dial, 550 kilohertz AM for example, have signals that travel further than a station with the same power higher up the dial (Noll, 1982, pp. 34-39). Therefore, higher frequency AM stations have weaker signals. On the other hand, Vogel (1996, p. 175) argues that the best position is right in the middle of the dial because when people tune the radio from either left to right or vice versa, they most frequently hear the stations in the center.

A linear analysis was conducted to analyze the importance of a station's frequency with its acceptance of alcohol advertisements. Though no significant relationship was found between the frequency of FM stations and the alcohol policy ($p < .6624$, $N = 105$), a significant relationship was found among AM stations. Lower frequency AM radio stations (those on the left side of AM dial towards 540 kilohertz) were more likely to clear all types of alcohol ads than AM stations further up the dial ($p < .0455$, $N = 84$).

To address the argument put forward by Vogel (1996, p. 175) about the most valuable stations being at the center of the dial, the average frequency for each band was computed. The average AM station broadcasts at 1270 kilohertz while the average commercial FM station transmits at 99.7 megahertz. A separate analysis was conducted whereby the absolute value of the difference between the station's frequency and the "average" frequency for a station on that band was calculated. AMs were found to vary positively with the alcohol policy ($p < .1508$) as did FMs ($p < .2216$), although neither relationship was statistically significant. Stations at the center of the dial are not significantly different than stations at the extremes in terms of alcoholic beverage advertisement clearance.

The second independent variable was the transmitting power of the station. For AM stations, which are generally allowed less transmitting power at night, the higher daytime power was used. A station's transmitting power was coded as a percentage of the maximum power allowed by the FCC: 50 kilowatts for an AM station and 100 kilowatts for an FM station (Norback & Norback, 1980, p. 411).

When examined against the data set, neither the transmitting power of AM stations ($p < .8825$, $N = 84$) nor the transmitting power of FM stations ($p < .5483$, $N = 105$) was significantly related to the alcohol clearance decision.

The fourth independent variable was tower height. Tower height, measured in the F.C.C. database in terms of feet (a foot is equal to 0.3048 meters), was coded for FM stations only. Since FM signals travel in a "line of sight" manner, the height above ground of an FM station's transmitting equipment plays a significant role in determining that station's potential audience. FM stations with transmitting antennas located at higher levels above average terrain have more coverage area than other stations. Though there was a negative relationship between tower height and the alcohol index, the relationship was not significant at the 95% confidence level ($p < .5940$, $N = 105$).

The fifth variable was the use of a directional antenna. Most stations try to use omnidirectional antennas that produce a circular coverage area and signal pattern. In addition to serving equally the surrounding area, omnidirectional antennas are generally much cheaper to design, build and maintain, especially for an AM radio station. Nineteen percent of the AM stations and five percent of the FM stations in the sample used directional antennas. When examined in terms of the alcohol clearance policy, no significant relationship was found for either AM stations ($p < .1209$, $N = 84$) or FM stations ($p < .1477$, $N = 105$).

Finally, due to the fact that AM signals bounce off the ionosphere at night and can cause interference hundreds of miles away, some stations are required to sign off at sunset and can only resume broadcasting the next morning. The absence of broadcast authority during some of the lucrative morning and late afternoon drive times in the winter leaves these stations economically crippled. Nevertheless, no relationship was found between an AM station's limited broadcast schedule and the alcohol clearance index ($p < .165$, N=84).

In summary, for AM stations, the only variable found to have an impact is frequency. Lower frequency AM radio stations were more likely to clear a wide variety of alcoholic beverage advertisements. These lower frequency AM stations have the largest coverage area, larger potential audience and, therefore, should have higher advertising rates than the average AM radio station. For the 105 FM stations in the sample, no pattern was discerned between tower height, effective radiated power, frequency and whether the station used a directional antennae. Therefore, only very limited support for hypothesis 2 was found because a station's technical characteristics had little influence over the decision to run alcohol advertisements.

Table 5-1

Results of bivariate analysis of the station's technical factors and the index of alcohol advertising clearance

Variable	Direction of Relationship between Alcohol Index and AM stations	Significance of relationship among AM station	Direction of Relationship between Alcohol Index and FM stations	Significance of relationship among FM stations
Frequency	Negative	.0455*	Positive	.6624
Transmitting Power	Negative	.8825	Positive	.5483
Directional Antenna	Negative	.1209	Positive	.1477
Tower Height	N.A.	N.A.	Negative	.5490
Daytime Only Status	Negative	.1659	N.A.	N.A.

(* means the statistic is significant at the .05 level)

Financial Factors

Financial characteristics were theorized to incorporate several broad factors. The potential audience served by each station needs to be calculated since stations that serve large population areas have higher advertising rates and a higher resale price. To explore whether longer tenured owners differed from newer owners, the length of the station's ownership was calculated based on the year of last sale. The ownership structure of each station was surveyed to see how many other stations the party owned in order to factor in market power. In addition, the effects of manager ownership, price discrimination towards alcoholic beverages and the power of competitive media were considered.

H3 Stations that serve larger markets differ from smaller market stations with respect to the alcohol clearance question.

The first independent financial variable was the size of the market. Stations in sparsely populated areas are less appealing to advertisers than a similar facility located in a big city. Smaller markets have less advertising revenue available per radio station and may be more desperate for revenue of any sort. Estimating the population in the area served by a radio station also serves to measure the size of a station's potential audience.

Market population, in thousands of persons, as calculated by the M Street editors, was used as the estimate of market size. In most but not all cases, the M Street Guide's market definition coincides with that used by Arbitron, the major ratings information source for radio. For stations in rural areas outside of a defined media market, an approach suggested by Bates (1995) was used. Stations in these rural areas were presumed to serve just the county where the station is located. Using the most current census data and an atlas, each radio station's city of license was cross-referenced to identify in what county the station's city of license was located, and the population of that county was used as a proxy for the market served.

No significant relationship was found between market size and alcohol policy ($p < .844$, $N = 191$). Given the fact that the potential population served drastically drives radio station resale prices and has traditionally been the most important factor in pricing media (Keith & Krause, 1989), this single result places doubt on how effectively the traditional media economics measures will predict the alcohol policy.

H4 Stations with longer tenured ownership have different alcohol policies than stations with newer owners.

Several theories explain why longer tenured owners tend to be financially stronger owners. First, since media management skills are costly to acquire, more experienced owners have an advantage over neophytes in running a station, and stable ownership of a broadcast outlet aids in the development of long-term goodwill with the community and with other advertisers. Indeed, for many years, the Federal Communications Commission had a rule that required station owners to keep a newly acquired station for three years before selling the station (Bates, 1989). One rationale for this regulation, the so-called anti-trafficking regulation, was that a station that suffered from frequent changes in ownership would be of less service to the community.

Coding for this variable was complex. A calculation was made of the number of years that had elapsed since the station had last been sold. Unmacht & McCrummen (1996) records only the last ten year's worth of the station's sales information. Broadcasting and Cable Yearbook (1996) was consulted for older information. When no recorded sale information was given, the year the station began broadcasting was used. It was found that the average station had been owned by the same party eleven years.

There was no significant relationship between the number of years a station was owned by the same party and the station's willingness to air alcohol commercials ($p < .582$).

H5 Stations whose owners control a large number of stations have different alcohol polices than stations whose sole radio interest is that one station.

As discussed in more detail in the literature review, opinions differ on whether there is any benefit to the public from one owner controlling multiple stations. As Shoemaker & Reese (1991, p. 223) note, it is commonly argued that group owners are more distant from the community and less interested in community service than non-group owners. Workers from chains or group owners form weaker attachments to the local community because their careers may be defined by moving up the career ladder at the chain. On the other hand, independently owned stations have less assets and capital than large group owners and, therefore, may also be less of service to the community.

Large group owners are frequently listed on the major stock exchanges and, thus, may be driven to accept alcohol ads by the economic pressures that come with quarterly earnings reports. On the other hand, group broadcasters with many stations and more of a national identity may seek to avoid the negative publicity arising from alcohol advertisements.

Large ownership is measured in two ways. The first measure is the ownership of stations in markets across the United States, known as group ownership. A group owner is traditionally defined as an entity that controls stations in several markets across the country. The M Street Radio Directory, edited by Unmacht & McCrummen (1996), identifies the parent corporation of every licensee and determines, based on its database of all radio owners, whether a particular station is part of a group. The coding for this variable was dichotomous: group owners were identified as a "one" whereas stations that were not group-owned were identified as a zero. Forty-three percent of the stations in the sample were identified as group-owned.

A second measure of this strength is the number of stations owned in the same market. The ability to own a number of stations indicates financial strength because there are economies of scale in controlling several stations due to cost advantages that come from operating efficiencies. Besen & Johnson's (1984, pp. 38-40) economic analysis of broadcasting suggests further that an owner of several stations within the same market potentially has more power over programming and advertisers than an owner who controls stations located in different markets.

The coding of this variable was achieved by adding up all of the stations owned or controlled by the same party in the same radio market. For this variable, stations linked together by so-called "marketing agreements" were counted as being under the same ownership.

Table 5-2 Distribution of Sister Stations

Number of sister stations	Number of stations in sample reporting	Percentage of total
0	54	28.3
1	91	47.6
2	28	14.7
3	14	7.3
4	2	1
5	1	.5
6	1	.5

(Mean of SISTERS = 1.09. $\underline{N}$ = 191)

Overall. both group-owned stations ($\underline{p} < .034$) and stations with a large number of sister stations ($\underline{p} < .006$) were positively associated with the alcohol index. In other words. larger broadcasters were more willing to clear alcoholic beverage commercials than independently owned stations. Strong support was found for Hypothesis 5.

H6 Managers of stations who own at least some of their station have different alcohol clearance patterns than managers who are only employees.

It is axiomatic that ownership provides a more permanent commitment to a property than a more temporary arrangement. Therefore we would expect the behavior of a manager who is an owner to differ from that of a mere employee. However. the data analysis revealed that a manager's equity position in the station had no correlation with the alcohol decision ($\underline{p} < .886$, $\underline{N} = 186$).

H7 Alcohol beverage commercials are charged a higher rate due to a risk premium compared to other commercials accepted by the station.

It is common to see the ads for beer and wine described as "highly lucrative" (Haar, 1996) or as a "substantial" source of revenue for broadcasters (Lilley & Penner, 1990, p. 60). However, it is unclear from a literature review whether the relatively high dollar amount per unit of time sold to beer and wine advertisers is a result of the time periods, the perceived quality of the audience, a result of limited time slots available for such advertisements, or simply a penalty imposed by broadcasters for advertising an unsavory product. Since understanding the exact nature of negotiations would be impossible without direct input from the advertisers, the decision was made to concentrate on whether stations charge a penalty.

The hypothesis questions whether advertising time is sold to alcohol manufacturers and distributors at higher rates than for other advertisements. Conceptually, this could also be viewed as price discrimination by media outlets to counter the risk the station accepts when clearing these types of commercials. In other words, do media managers view alcohol advertisements as fundamentally anti-social? This hypothesis is guided by the simple observation that "good" products regularly get reduced prices from stations. For example, public service announcements urging listeners to give blood for the Red Cross are aired for free.

On the survey, station managers were asked whether they charged "higher rates to advertisers of unsavory products" such as alcohol. Only a handful (7.2% of the respondents) agreed with the statement. One manager said that, in general, commercial buyers for alcohol products were very sophisticated, more so than local clients, and often received a better rate than other advertisers. Based on interview and free response data, there is no broad support for the idea that alcohol commercials are cleared on stations because these alcohol advertisers can be charged a higher unit rate. No evidence could be found to support the idea that alcoholic beverage advertisers pay a systematically higher rate than a comparable advertiser for an advertising spot.

H8 Stations that compete more vigorously with print media will have different alcohol placement patterns than stations that do not.

Legally, broadcast media are subject to a higher level of judicial scrutiny than print media, due to the public's ownership of the airwaves that broadcast media use as well as to the ubiquity of broadcast materials. As discussed in the first chapter, the common example is that newspapers and magazines are permitted to carry cigarette commercials, while the law forbids cigarette advertisements on television and radio. Broadcasters claim this disparity creates an uneven playing field between print and broadcast media amidst an otherwise competitive advertising industry.

Since quantifying the competitive environment faced by a particular radio station is beyond the scope of this work, the most direct way to test this hypothesis was to ask general managers if they saw themselves competing more with magazines and newspapers than they had years before.

Managers who strongly agreed that their station was competing more with newspapers and magazines were more likely to run all types of alcoholic beverage advertisements than managers who saw the environment as less competitive ($p < .037$).

Analysis of Significant Economic Factors

Four factors were found by bivariate analysis to be significant predictors of the alcohol policy. In Table 5-3, these variables are compared simultaneously.

Table 5 - 3

Final Model of Economic Factors

Dependent Variable INDEX

Variable	B	SE B	Beta	T	Sig T
COMPETITOR	-.173315	.094137	-.132894	-.1841	.0672
SISTERS	.391359	.185067	.159530	2.115	.0358
GROUPOWN	.383017	.382227	.076471	1.002	.3176
LOWFRAM	.213269	.427057	.035673	.499	.6181
(Constant)	3.435054	.461142		7.449	.0000

$F = 3.13584$, ($p < .0150$), Adj. R squared = .04325, $N = 189$.

In the regression reported by Table 5-3, SISTERS is the number of sister stations of the respondent stations. Sister stations are the number of radio stations owned by the same party in the same designated radio market not including the respondent radio station. GROUPOWN is a dichotomous variable where the number one indicates the station is owned by a group owner. LOWFRAM, also a dichotomous variable, shows whether the station has been assigned a low frequency on the AM broadcast band. COMPETITOR represents whether the manager believes his or her station competes more vigorously with newspapers and magazines than five years ago. COMPETITOR is measured on a scale of 1 to 7 with one representing strongly agree and seven representing strongly disagree.

Given the results of Table 5-3, only one significant variable was found and the variable "SISTERS" will be carried forward to the final regression. Overall, technical variables were found to have little relevance to the alcohol clearance question whereas the financial variables seemed to explain more of the variation in alcohol policy.

Table 5-4
Correlations of Significant Economic Factors
Correlation coefficients
(probability)

	INDEX	SISTERS	GROUPOWN	LOWFRAM	COMPETITOR
INDEX	1.000	.1963 (.006)	.1535 (.034)	.0513 (.481)	-.1516 (.037)
SISTERS	.1963 (.006)	1.000	.3315 (.000)	.0408 (.576)	-.0258 (.724)
GROUPOWN	.1535 (.034)	.3315 (.000)	1.000	-.0263 (.718)	-.1491 (.040)
LOWFRAM	.0513 (.481)	.0408 (.576)	-.0263 (.718)	1.000	-.0591 (.416)
COMPETITOR	-.1516 (.037)	-.0258 (.724)	-.1491 (.040)	-.0591 (.416)	1.000

Table 5-5

Summary Statistics for Significant Economic Factors

Variable	Mean	Std Dev	Number of cases
INDEX	3.450	2.493	191
SISTERS	1.089	1.014	191
GROUPOWN	.429	.496	191
LOWFRAM	.220	.415	191
COMPETITOR	3.497	1.905	191

Chapter 6

Ethical Aspects

"While I'm here, we will not accept spirit advertising. It's that simple."
It's not "an economic decision. It is a moral issue. It does not matter what the other stations in our market are doing" - Two Connecticut general managers on their policy to not accept hard liquor advertisements. (Haar, 1996)

In their classic media management text, Quaal and Martin (1968, p. 28) define the characteristics of a good media manager: "The station manager must be a man of good character... The manager should be a religious person who has humility and (in the broad sense) depth of character." Though this definition is dated (and sexist), it still represents the contemporary view that, due to the special influence mass communicators have with the public, a great deal of responsibility and self-control is expected of media professionals in return. To Quaal and Martin, a distinguishing characteristic of good media professionals is their belief in the importance of good values.

As Limburg (1989) has noted, the deregulation of the broadcasting field and the demise of the broadcasting code have meant that more responsibility has been placed on broadcasters to self-regulate their conduct. Just as broadcasters are responsible for the programs they produce or distribute, so are they responsible for the commercials that air between these shows (excepting the narrow field of political advertisements). Advertising clearance has been described as the "decision made by individual media vehicles to accept, reject or request substantiation of ad claims" (Wicks & Abernethy, 1997). As discussed in the first chapter, broadcast outlets across the country have been approached by manufacturers of hard liquor like Seagram and Bacardi and asked to carry these controversial advertisements.

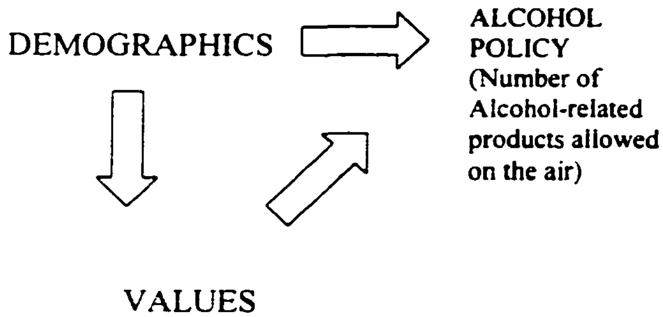
Reese & Shoemaker (1991, p. 220) note that "the more unethical media workers think an action is, the less likely they are to take part in it," but note that the devil is in the details: not everyone agrees what is ethical, especially in the contentious field of the mass media. So what are values? Definitions abound. Rokeach (1973; Singhapakdi & Vitell, 1993) defined them as "an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence." Values can be defined as one "status in a scale of preferences" or "something intrinsically desirable" (Gove, 1981). Although many social science models study the link between various definitions of values and different behaviors, little research has looked at how the values of media professionals affect their decisions to approve advertisements. What little research that has been done has never been well integrated with how others have conceived values, partly due to definitional problems. An attempt will be made to clarify these differing conceptions of values.

Other factors besides values play a role in the clearance process and are addressed in other chapters. This chapter will address only the influence of personal values in the station managers' decision-making process. This chapter tests several different conceptions of values that are theorized to explain advertising behaviors, particularly how religion, professionalism, attitudes and ethics influence this process. Standard demographic questions will also be used to measure the influence of these variables and to moderate the effects of the other variables. For example, as Sproull (1995, p. 31) notes, age has been found to be a common moderating variable in social science research and many ethical researchers have found it a powerful variable in explaining ethical responses.

While work on how values influence the clearance process is still at an early stage, several authors have demonstrated a predictive link between personal values and some outcome of the advertising process. By necessity, the different theoretical constructs of "values" discussed in various works will be clarified and tested because the lack of linkage among these works impedes progress in developing models that predict this complex behavior. On a practical level, since the hard liquor issue emerged into public debate in the summer of 1996, no one has explored how broadcast outlets are shaping their alcohol policies. This chapter will shed light on how alcohol advertisers' placement attempts have been judged by broadcast licensees. Figure 6-1 was derived from the literature review.

Figure 6-1

ETHICAL ASPECTS



BASIC CONCEPTIONS
OF VALUES TESTED

1. Code of ethics
2. Kahle's List of Values
3. Religious Values
4. Professional Values
5. Wicks & Abernethy's Ethical Belief Statements

Hypotheses derived from this model of ethical factors:

H9 Demographic factors such as the age, education, gender, relative income and race of the general managers are associated with differences in the clearance process.

H10 The college major of the manager influences the alcohol clearance decision.

H11 Stations with written codes of ethics have different alcohol clearance policies from stations without one.

H12 Long-term attitudinal values held by general managers relate to their alcohol advertising clearance decisions.

H13 The religious affiliation and religiosity of the manager are related to the alcohol clearance decision.

H14 A general manager's self-reported belief in professional values influences his or her alcohol clearance polices.

H15 Wicks & Abernethy's measures of ethical belief items are correlated with alcohol clearance.

Dependent Variable

As stated earlier, the dependent variable will be the alcohol clearance decision. A score of zero on the alcohol index indicates a station will not air any alcohol-related commercials, while a score of seven demonstrates that the station is willing to run all types of alcohol commercials, including ones for hard liquor.

Demographics

H9 Demographic factors such as the age, education, gender, relative income and race of the general managers are associated with differences in the clearance process.

Demographic factors affect many human behaviors, and clearance policies proved no exception. To control for these variables and to reduce the likelihood of a spurious relationship, the effects of age, education, income, race and sex were explored. Education was characterized as number of years of college-level learning. Race had two components: whether the subject identified himself or herself as Hispanic and whether the subject self-identified as non-white, that is African American, Asian American or another classification. Of these variables, only age proved to be a significant variable (p

$< .026$). Older station managers reported that they were less likely to approve alcohol beverage advertisements.

H10 The college major of the manager influences the alcohol clearance decision.

Postsecondary education itself was not shown to affect alcohol clearance patterns. Since prior research has shown that a person's college major explains some of the variation found in value-related responses, each respondent was asked to identify his or her college major. Two large categories emerged: those who claimed a business-related major (18% of sample) or those who claimed a journalism, speech and/or mass communications undergraduate concentration (35% of sample). Those respondents who identified themselves as communications-related majors were not significantly different from the rest of the sample. However, business majors were more likely to approve alcohol beverage advertisements ($p < .01$).

In an analysis of all the demographic factors together, only age and business major were found to significantly influence a manager's clearance decision (both at $p < .01$).

Code of ethics

H11 Stations with written codes of ethics have different alcohol clearance policies than stations without one.

The adoption of a code of ethics by a company has been argued by Hunt & Vitell (1986) and others to be representative of an organization's overall commitment to ethics.

Though 30% of stations reported having a written code of ethics. no significant relationship was found between the presence of a written code of ethics and that station's overall alcohol clearance policy. Indeed, organizational size seemed to drive this variable. Group owners were very likely to have a written code of ethics while independent owners were not.

List of Values

H12 Long-term attitudinal values held by general managers relate to their alcohol advertising clearance decisions.

Based on the work of Rokeach (1973) and Kahle (1983), the List of Values attempts to explain which long-term attitudinal values shape individual behaviors and choices in life. Values measured are excitement, warm relations with others. being well respected. security. sense of belonging, fun and enjoyment in life. self-fulfillment. sense of accomplishment and self-respect.

The preferred way to examine the List of Values is to analyze which values the respondent listed as his or her most important or second most important. However. the study's small sample size limited the usefulness of this approach. Since each respondent was asked to code each value on a scale of 0 to 100, and the index of alcohol clearance was on a scale of 0 to 7. regression analysis was used.

Table 6-1 Regression of Kahle's List of Values Upon the Alcohol Index

Dependent Variable INDEX

Variable	B	SE B	Beta	T	Sig T
ACCOMPLISH	-.029107	.016166	-.159535	-1.801	.0735
BELONGING	-.011444	.009643	.115724	-1.187	.2370
EXCITEMENT	.014853	.008685	.153728	1.710	.0890
FUN	.009880	.013016	.075590	.759	.4488
SECURITY	.020409	.011884	.161906	1.717	.0877
SELFFULFILL	.011247	.012502	.084697	.900	.3696
SELFRESPECT	.034148	.021333	.128779	1.601	.1113
WARM	-.025962	.011049	-.221264	-2.350	.0199
WELLRESPECT	-.017322	.012078	-.124897	-1.434	.1533
(Constant)	2.879088	1.973992		1.459	.1465

$F = 2.788$ ($p < .0045$), Adj. R squared = .127, $N = 182$

Respondents who identified themselves as high believers in "warm relations with others" were more likely to work at stations which had strict alcohol advertising policies. Individuals who value (score high) in warm relationships find fulfillment in interpersonal relationships and tend to believe in their own personal efficacy. Enjoying and valuing their social network, these people were reported as having a high degree of satisfaction and a fair degree of success in life (Kahle, 1983).

Overall, the List of Values proved a poor predictor as evidenced by its relatively low F statistic. This fact, together with the conflict that this result has with the findings of Singhapakdi & Vitell (1993) and Nwachukwu (1993), suggests little influence between attitudinal values and clearance decisions. Nonetheless, given the significant relationship between valuing warm relations and the alcohol index, this specific factor must be considered in this chapter's final equation.

Religious Values

H13 The religious affiliation and religiosity of the manager are related to the alcohol clearance decision.

Given the different teachings and attitudes of various churches about and towards alcohol consumption, we would expect that a respondent's religious beliefs would play some role in his or her acceptance of alcohol ads. Two questions were asked about religion. First, what role does religious denomination play in the acceptance policy for alcohol ads? Second, how does the self-reported degree of religiosity affect the clearance process?

Each respondent was asked, "What religious denomination do you consider yourself?" Only two religious denominations, Baptists and Catholics, were mentioned by a sizeable number of respondents. While Baptists generally approved fewer alcoholic beverage ads and Catholics were more willing to allow these various products to be aired, neither relationship was significant. Baptists made up fifteen percent of the sample while Catholics numbered eighteen percent. Too few non-Christians responded for a separate analysis.

Yet, simple questions about religious preference do not disclose the relative strength of a person's religious values. To examine this, the religiosity index was tested. For each of the items listed in Table 6-2, respondents were asked to register their agreement or disagreement with a series of statements using a scale where one was very strongly agree and seven was very strongly disagree.

Table 6-2

Text of Questions Used to Construct Religiosity Index (modified from Wilkes, Burnett & Howell, 1986; Nwachukwu, 1993)

I go to religious services regularly.
Spiritual values are more important than material things.
I am a very religious person.
If Americans were more religious, this would be a better country.

(Alpha = .78, Mean = 11.96, Standard Deviation = 5.81, N = 181)

As an individual item, the index of religiosity proved a good predictor of alcohol policy. Those who scored as strongly agreeing with the items in this index of religious sentiment tended to approve fewer alcohol advertisements ($p < .0005$).

Professional Values

H14 A general manager's self-reported belief in professional values influences his or her alcohol clearance polices.

To test this hypothesis, an index of professional values developed by Singhapakdi and Vitell (1993) was used. The Singhapakdi & Vitell index is based on nine assumptions found in the ethical norms of marketers. Due to space limitations and the inappropriateness of some of Singhapakdi & Vitell's questions to professionals involved in broadcasting, the items were modified to fit the instant case. Five modified items were then tested.

Table 6-3

Items in Professional Index (extensively modified from Singhapakdi & Vitell. 1990)

My professional life adheres to the spirit and letter of the law and federal regulations.
It is wrong to mislead people.
I believe that people basically act in good faith.
I believe members of my station's audience are unharmed by advertising. *
Honesty is the best policy.

Alpha = .44, Mean = 11.622, Standard Deviation = 3.21, $\underline{N}$ = 180, * = reverse coded

Professional values were found to be highly significant in predicting the alcohol clearance index ($\underline{p}$ <.0005) although extreme caution should be used in interpreting the finding due to the low reliability statistic computed from the index.

Ethical Belief Items

H15 Wicks & Abernethy's measures of ethical belief items are correlated with alcohol clearance.

In their study of the ethical factors influencing television advertisement clearance. Wicks & Abernethy (1997) evaluated four statements to predict how television stations cleared advertisements of dubious value. The following items were modified to fit this study of radio alcohol policies.

Table 6-4

Ethical Belief Items (modified from Wicks & Abernethy, 1997)

I refuse to air some alcohol advertisements because such ads violate my personal ethical values.
I refuse to air some alcoholic beverage advertisements because they might receive a negative reaction from my station's audience.
I refuse to air some alcoholic beverage advertisements because they might receive a negative reaction from my station's other advertisers.
My job is to earn the highest possible profits for my station.

Individually, personal ethics proved to be the best predictor ($p < .0005$). The items related to audience and other advertisers were also excellent predictors, but there were very high levels of correlation among the first three items. Factor analysis and reliability calculations indicated that a single construct was driving each of these individual items. For further analysis, they were combined into an index of self-reported beliefs simply called situational ethics. This index generated an alpha of .82.

Concern for high profits was negatively associated with the other three variables. Individuals who believed their highest goal was to achieve high profits cleared more alcohol-related commercials ($p < .004$). Both the index of situational ethics created from the first three Wicks-Abernethy items and concern for high profits will be carried forward to the final model.

Final Model

In order to find the best predictors of clearance policy by station managers, all of the ethical factors that have been found to be individually significant will now be simultaneously tested.

Table 6-5

Final Model of Ethical Factors

Dependent Variable INDEX

Variable	B	SE B	Beta	T	Sig T
AGE	-.033254	.015956	-.132483	-2.084	.0389
RELIGITY	-.048058	.029051	-.114417	-1.654	.1002
WARM	-.013576	.007327	-.117930	-1.853	.0659
BIZMAJOR	.855447	.403063	.135532	2.122	.0355
PROFVAL	.125830	.048619	.166864	2.588	.0106
HIGHPROFIT	-.159195	.087519	-.112658	-1.819	.0709
ETHICS	.241037	.030222	.540735	7.975	.0000
(Constant)	2.237915	1.171797		1.910	.0581

F = 16.468, ($p<.00005$), Adj. R squared = .41, N =156.

The results of a regression of these seven individually significant variables upon the index of alcoholic beverage advertisements demonstrated four significant variables at the .05 level. By far, the best explanatory variable was the situational ethical response of the general manager. Those who identified themselves as strong believers in personal ethics (including protecting the audience) were associated with low levels of clearance for alcohol commercials.

Belief in professional values was also significant. Those who scored themselves as strongly agreeing with professional values (that is, they entered low numbers on a one to seven scale) were less likely to take alcoholic beverage advertisements.

Stations run by general managers who had studied business in college were found to be significantly associated with stations carrying a high number of alcoholic beverage advertisements.

Finally, age had predictive power even when controlling for other variables. Older individuals were less likely to approve alcoholic beverage commercials.

Three variables were not significant in the final model. Religiosity was not a good predictor at the .05 level of significance. The item from the List of Values called "warm relations with others" was also not significant. Finally, the item measuring the statement that the station manager's highest value was a concern for high profits was not significant at the .05 level.

Significant results emerged from the station manager's self-described belief in ethical and professional values. Thus far, it seems that a manager's personal beliefs are driving the differences observed in the clearance patterns of alcoholic beverages across broadcast stations, while economic variables are playing a much less important role.

In a traditional business ethics study, this dichotomous test of economics versus ethics would be complete. However, media products are unique in that they serve a dual product market. Broadcast stations have two customers: audiences and advertisers (Albarran, 1996, pp. 27-29). Now, we turn our attention to how the station's unique audience may affect the alcohol clearance decision.

Table 6-6
Correlations of Significant Ethical Factors
Correlation coefficients
(probability)

	INDEX	AGE	RELIGITY	WARM	BIZMAJOR	PROFVAL	HIGHPROFIT	ETHICS
INDEX	1.000	-1745 (.019)	.2696 (.000)	-.1652 (.025)	.2030 (.005)	.2616 (.000)	-.2079 (.004)	.5569 (.000)
AGE	-.1745 (.019)	1.000	-.1168 (.126)	.1056 (.163)	.0835 (.266)	-.0923 (.230)	.0794 (.290)	-.0661 (.385)
RELIGITY	.2696 (.000)	-.1168 (.126)	1.000	-.1179 (.119)	.1885 (.012)	.2859 (.000)	-.0279 (.710)	.3920 (.000)
WARM	-.1652 (.025)	.1056 (.163)	-.1179 (.119)	1.000	-.0548 (.465)	.0103 (.893)	-.0328 (.659)	-.1617 (.032)
BIZMAJOR	.2030 (.005)	.0835 (.266)	.1885 (.012)	-.0548 (.465)	1.000	.1208 (.110)	-.0501 (.498)	.0949 (.208)
PROFVAL	.2616 (.000)	-.0923 (.230)	.2859 (.000)	.0103 (.893)	.1208 (.110)	1.000	-.0321 (.670)	.1863 (.014)
HIGHPROFIT	-.2079 (.004)	.0794 (.290)	-.0279 (.710)	-.0328 (.659)	-.0501 (.498)	-.0321 (.670)	1.000	-.0974 (.190)
ETHICS	.5569 (.000)	-.0661 (.385)	.3920 (.000)	-.1617 (.032)	.0949 (.208)	.1863 (.014)	-.0974 (.190)	1.000

Table 6-7

Summary Statistics for Significant Ethical Factors

Variable	Mean	Std Dev	Number of Cases
INDEX	3.450	2.493	191
AGE	46.525	10.249	181
RELIGITY	11.961	5.817	181
WARM	80.152	21.159	184
BIZMAJOR	.161	.369	186
PROFVAL	11.615	3.224	179
HIGHPROFIT	2.747	1.755	190
ETHICS	13.880	5.451	183

Chapter 7

Audience Aspects

"Certainly it is essential to determine that there is enough of an audience to support a particular format, but it is equally important to get to know and understand the audience expected to tune in..." - Michael Keith (1987, p. 18)

McQuail (1997, p. 2) notes that studying the audience is a complex task since "audiences are both a product of social context (which leads to shared cultural interests, understandings, and information needs) and a response to a particular pattern of media provision." Due to the unique responsibility broadcasters have as public trustees, this study must explore what effect the audience plays on managerial decisions concerning alcohol clearance. Although audience analysis research is often derided for making less of a contribution to theory than other communications research, the important public policy questions concerning alcohol use demand that such analysis be a part of this work.

As noted by Hausman, Benoit & O'Donnell (1996), modern commercial radio stations find success in serving a narrow part of the available population and that the more targeted a radio station becomes in serving the audience, the more the content will reflect the interests of that audience. In order to attract a viable share of a certain narrowly defined audience (for example, women 25-54) that the station can sell to advertisers, stations carefully construct a format targeted for this listener.

A format is defined as a set of music and other programming elements designed to attract members of the targeted audience and to keep them tuned in to the station. Given the regular elements inherent in a format, listeners are assured that when they tune into their favorite station, they will hear songs and personalities that they expect to enjoy. To repeat a radio industry cliché, programming is the flypaper that attracts the audience and then compels them to listen to the commercials.

Indeed, within a few moments of listening to a station, individuals can assess whether the station's programming will appeal to them. Research has also shown that most people listen to very few stations out of the dozens of choices they have available to them. The main reason for this limited listening is programming. Radio programming is characterized by fragmented audience appeal. Radio, more so than television and rivaled only by magazines, succeeds in attracting very narrowly defined audiences.

Some formats have become so closely identified with their communities that the formats themselves become proxies for their community. Minority-targeted formats are one of the best examples. Radio stations such as Urban WAMO in Pittsburgh or WDIA in Memphis have, through years of service, become the primary source for news about the African American community in these cities. Indeed, these stations have become a virtual community center for their audiences.

However, it is important to note that audiences vary in several ways. For example, a Cleveland station which programs rock music attracts a different audience than a radio station across the street that plays big band music. Similarly, two stations may program an urban contemporary, or African American targeted, format, but one station is located in Philadelphia, Pennsylvania and the other in Philadelphia, Mississippi. Since different parts of the country have different social and cultural conditions, local stations must take these regional differences into consideration when making decisions about their audience.

Thus radio audience factors which affect the clearance of alcohol ads can be loosely grouped into two categories. First, the programming format attracts a certain subgroup of the general population. Second, the geographic area covered by the station's signal will necessarily limit the station to audiences with idiosyncratic differences of taste based on the cultural norms and traditions of that area of the country. Thus, radio audiences can be segmented both by the programming they choose and by their geographic place of residence.

FIGURE 7-1

AUDIENCE ASPECTS

PROGRAMMING FACTORS

COMMUNITY FACTORS

ALCOHOL POLICY (Number of Alcohol-related products allowed on the air)

Programming Factors	Community Factors
1. Format	1. Civic participation
2. Audience composition	2. Local alcohol consumption
3. Audience consumption patterns	3. Conservative area
4. Local control	4. Baptist area
5. Format tenure	5. Full staff
6. Power ratio	

The following hypotheses come from the literature review:

H16 Alcohol commercial clearance varies by format.

H17 The age, sex, race and income of a station's target audience affects the alcohol clearance decision.

H18 The alcohol consumption behavior of the audience plays a role in the clearance decision.

H19 Radio stations that rely on local programming have different alcohol clearance patterns than stations that relay programming.

H20 Stations that have maintained a stable format over the years have different alcoholic beverage clearance standards than stations with frequent format changes.

H21 The relative ability of a station's format to earn revenue per listener affects the alcoholic beverage clearance decision.

H22 Stations whose management is more involved with the community have a different alcohol clearance pattern than stations where management is not so involved.

H23 The per capita alcohol consumption of the station's service area is correlated with the alcohol policy.

H24 Stations located in conservative areas differ in their clearance of alcoholic beverage commercials.

H25 Stations located in heavily Baptist states have different alcohol clearance patterns than stations located elsewhere.

H26 Stations with larger staffs have different clearance patterns than stations with smaller staffs.

This chapter operationalizes each concept. Then, a test will be performed to see whether there is a significant bivariate relationship between each construct and the dependent variable. If the concept appears to have a significant predictive value at the .05 level in this first test, it will be carried forward to future models. As mentioned in the second chapter, little research has been done in this area pertaining to alcohol advertising. As such, this chapter consists primarily of exploratory research.

Dependent Variable

As with the other chapters in this dissertation, the dependent variable will be the alcohol index. The alcohol index ranges from zero to seven. Stations at the top of this index indicated on the survey that they had aired, or would be willing to air, alcohol-related commercials for various businesses and brands, including the more controversial commercials touting hard liquor, package stores and malt liquor brands. Stations that score low on this alcohol index are unlikely to accept alcohol commercials.

Independent Variables

H16 Alcohol commercial clearance varies by format.

H17 The age, sex, race and income of a station's target audience affects the alcohol clearance decision.

First, the effects of format are considered. Which formats are associated with high levels of clearance of alcoholic beverage advertisements?

Given the limited sample size of just under 200 respondents and the large diversity of formats identified in the contemporary radio industry (Unmacht &

McCrummen, 1996, list over 33 separate radio formats), only three distinct programming formats could be identified with non-trivial sample sizes.

Table 7-1

Relation of Format to Alcohol Clearance

Format	Correlation with Alcoholic Beverage Clearance	Significance	Sample Size
Country Music	Positive	.8896	66
Minority (primarily African American and Hispanic)	Positive	.0801	11
Religious Programming	Negative	.00005	26

The table indicates that only one format, religious programming, was significantly related to alcoholic beverage clearance. As had been expected based on the literature reviewed earlier, religiously programmed radio stations are very unlikely to clear alcoholic beverage commercials.

While the number of stations using all sports programming as a format has grown rapidly over the last decade, the sample included only a handful of all sports stations. However, many stations whose primary format is music will often break from music programming to carry sports events, especially on the weekend. In order to gauge the effects of sports programming, which earlier work identified as a major venue for alcohol advertising, each manager was asked whether his or her station "carries a large amount of play-by-play sports." A statistical analysis revealed that the more sports a station aired, the more likely it was to have a looser clearance policy. However, the relationship was not significant ($p < .067$, $N = 185$).

In an attempt to further discern what role audience demographics play in the alcoholic beverage clearance process, each national format was broken down into its constituent demographic parts. For example, although many Hispanics listen to Spanish-language formats, many also listen to mainstream and dance-oriented top 40 stations (Rodrigues, 1998). The Fall 1996 Simmons Market Research Bureau database, available through the Choices II software system, was chosen for this demographic analysis because Simmons Market Research collects data each year from more than 22,000 households. Simmons research is predicated on the theory that Americans' purchasing behavior is strongly correlated with their media usage (Choices II, 1996). As a result, this database provides a wealth of data for advertisers and station sales departments.

Using the Simmons Choices II System software database, each national format was broken down by its demographic profile. While slight differences arise in the definitions of radio formats, it was not difficult to reconcile how the M Street editors and the Simmons Market Research bureau define various kinds of programming.

For data analysis purposes, an index number was calculated for each format which identified the extent to which the format attracted more than its average share of males in the general population, younger listeners (defined as listeners under 21 years of age), listeners with household incomes over $40,000, African Americans, Hispanics and whites. These categories correspond to the standard demographic categories of gender, age, income and race, which research has hypothesized can influence the alcohol clearance decision.

Most of these variables were computed based on the large Simmons samples, but Simmons research methodology produced just over 700 respondents under the legal drinking age. Therefore, extreme caution must be used in extrapolating the results of the younger listener variable.

Table 7-2

Relation of Audience Demographic Factors and the Alcohol Index

Are formats with a large number of	... more or less likely to accept alcoholic beverage advertisements?	Significance
Male Listeners	More	.0003*
Young Listeners (under the legal drinking age of 21)	More	.7742
Wealthy Listeners (households with income over $40.000 per year)	More	.0001*
Black Listeners	Less	.0354*
Hispanic Listeners	More	.2832
White Listeners	More	.0445*

* means $p < .05$

Given these bivariate results, a more complete model was needed to put the demographic information into perspective. A regression was conducted with all the variables included in order to consider simultaneously all the demographic influences on the alcohol clearance question.

Table 7-3

Regression of Audience Demographic Factors upon the Alcohol Index

Dependent Variable INDEX

Variable	B	SE B	Beta	T	Sig T
MALE	.030493	.018449	.149740	1.653	.1001
YOUNG	-7.68339E-04	.003739	-.016891	-.205	.8374
WEALTHY	.030388	.012240	.232801	2.483	.0139
BLACK	7.93608E-04	.005019	.032160	.158	.8745
HISPANIC	.003379	.001907	.135790	1.772	.0780
WHITE	.006328	.033322	.038024	.190	.8496
(Constant)	-4.006078	4.107703		-.975	.3307

$F = 4.05272$, ($p < .0008$), Adj R squared = .08793, $N = 190$.

The regression showed that two variables, young listeners and black listeners, reversed sign in addition to losing significance. In this equation, the significant predictor was wealthy listeners, defined as listeners living in households making over $40,000 a year, who were associated with formats clearing more alcohol commercials than average. The information on minority and younger listeners does not support a targeting hypothesis by race or age. Given this contradictory information, only the concept that formats that attract wealthy audiences will be carried forward to a final regression of audience predictors.

H18 The alcohol consumption behavior of the audience plays a role in the clearance decision.

The Simmons database also correlated individuals' drinking preferences (for wine, beer, and liquor) with their national radio format preferences. After all, as Schulberg (1989, p. 178) notes in his text on radio advertising, "It really doesn't mean much to reach a large number of <u>people</u>. What you want to reach is a large number of prospects." Therefore, we would expect stations broadcasting a format to listeners who like alcohol to be more likely to air these commercials. For their part, advertisers, constantly seeking to maximize the number of prospective customers for their brand, will likely decide to concentrate their advertising on these receptive audiences.

The evidence bore out this hypothesis. Formats, such as rock or oldies, whose listeners were likely to consume hard liquor, beer or wine, were also likely to clear alcoholic beverage commercials. Listeners to formats that are unlikely to clear alcoholic beverage commercials, such as religious formats, were themselves self-identified as low consumers of alcoholic beverages. Of the three separate levels of drinking (whether a listener was a beer drinker, wine drinker or liquor drinker), there was some substantial overlap among these measures. A stepwise regression suggested that "formats popular among beer drinkers" was the best predictor, and this variable will be carried forward to the final model. Formats popular among beer drinkers were strongly correlated with clearing all types of alcohol advertisements ($p < .0005$, $N = 191$).

H 19 Radio stations that rely on local programming have different alcohol clearance patterns than stations that relay programming.

Using the M Street Radio Guide, every station was coded for its source of programming. M Street divides these stations into two categories. The first category, satellite programming, refers to a system whereby a satellite feed sends to local stations a tightly formatted format that local stations play on air instead of local programming. The national satellite feed, produced from a distant city, generally features more professional announcers than a small station can hire locally and, with sophisticated automation, is often cheaper than local programming (Borrell, 1996; Hausman, Benoit & O'Donnell, 1996, pp. 185-187). The second kind of non-local programming is a station that relays another station's programming.

In either case, there is little to no local programming originating from the studio in the station's community of license. Of course, most radio stations use some amount of remotely produced programming during the broadcast day. The key feature M Street codes for, and this variable seeks to measure, is when this programming is no longer simply a complement to a locally produced radio station, but has in fact become the main programming for the station.

Just over 20% of the stations in the sample used satellite-delivered programming as their primary programming source. Roughly 8% of stations simulcasted with another station. For this study's purposes, simulcast and satellite-programmed stations were recoded into one category due to their common lack of local control over content.

With a significance of $p < .01$ (N=191), stations that use nationally syndicated radio programming or other relayed programming as their primary format tend to accept more alcohol ads. Conversely, stations that rely mostly on locally produced programming tend to shy away from alcohol beverage advertisements.

H20 Stations that have maintained a stable format over the years have different alcoholic beverage clearance standards than stations with frequent format changes.

The M Street Radio Directory lists format information for the last ten years. From this data, each station in the database was coded as to whether it had changed formats at least once during the previous decade. Around 40% of stations had changed format at least once during the previous decade.

Stations that changed format within the past ten years are more likely to air alcohol commercials than stations that did not change formats during that time period ($p < .0193$, $N = 190$). This suggests that stations with a longer tenure in the community and more identification with that community are less likely to carry alcohol commercials.

H21 The relative ability of a station's format to earn revenue per listener affects the alcoholic beverage clearance decision.

Not every format is considered equal in the eyes of advertisers. News-based formats have traditionally earned more from advertisers on a per listener basis than other formats. In fact, audiences composed of senior citizens and minorities have been systematically undervalued on a per listener basis in comparison with audiences composed of what advertisers see as more desirable individuals. For example, one Hispanic broadcaster claims that "a well-known beer company - year in and year out - will pay a Rock & Roll or country station in our market $2 for every $1 they are willing to pay our Hispanic stations. This is for delivering the same number of beer drinkers" (El Dorado Communication, 1999).

The ratio of share of the market's total advertising revenues to the share of the market's total audience is described as a power ratio. Formats which score over a one are said to be overperforming, that is making more than their fair share of money considering how many listeners are attracted to the format. Formats that score under a one are said to be selling at a discount: not attracting enough advertising revenue given their proven audience levels. Using the publicly available Duncan power ratios as reported by Ofori (1999), an analysis was performed. No relationship was found between the 1997 national power ratio for a station's format and the station's alcohol policy ($p < .802$, $N = 168$). There was no evidence supporting a conclusion that stations that have a difficult time getting their fair share of revenue respond by lowering their clearance standards for alcoholic beverages. It should be noted that no power ratios are computed by Duncan's American Radio, Inc. for religious stations, so these stations were systematically excluded from this section of the analysis.

Community Factors

As discussed in the literature review, stations whose employees form close ties to the community will be more likely to value their neighbors than employees who consider themselves as temporary residents. In a similar vein, Shoemaker & Reese (1991, p. 225) note that characteristics of the community where a medium operates influence its content. Therefore, community factors must be considered.

H22 Stations whose management is more involved with the community have a different alcohol clearance pattern than stations where management is not so involved.

As discussed in the literature review, it is hypothesized that an individual's social connectedness has important benefits for the public at large. The social capital and Hunt & Vitell models note that social connectedness can come from both civic and religious activities, and this construct of social involvement with others causes a person to behave more responsibly to members of his or her community.

The previous chapter more fully explored the religiosity scale, a component of which was a self-report on regular attendance at religious services. Both the religiosity scale and self-reported church attendance were found to be bivariately correlated with the alcohol decision.

To further clarify the social capital hypothesis, civic involvement was probed. No relationship was found between the alcohol clearance index and those who agreed they were active in civic groups. While managers were more likely to agree that they were more active in civic groups than with going to church, only church-going was correlated with the alcohol clearance decision. No support was found for the argument that a manager's strictly secular civic involvement related to his or her decisions on alcohol clearance ($p < .143$, $N = 188$). Only community connectedness through religious events was found to have predictive power in relation to the alcohol clearance decision. This result further reinforces the tentative conclusion of the previous chapter that religious values and ethics are driving the alcohol clearance decision.

H23 The per capita alcohol consumption of the station's service area is correlated with the alcohol policy.

No information was available on alcohol consumption disaggregated down to the level of all local metropolitan areas or radio markets. The best available data were from various states. Since many states impose high taxes on alcoholic beverages and, therefore, earn significant revenues from alcohol sales, there is an expectation that a state's figures on consumption are substantially accurate even given the realities of cross border shopping (e.g. Massachusetts residents buying cheaper alcoholic beverages in lower tax New Hampshire). Information was taken from Adams/Jobson Publishing (1996), a standard reference source for the alcohol industry. This information showed that states such as Nevada and New Hampshire come out high on these measures whereas states such as Iowa and Utah are relatively low.

First, each of the three main beverage categories (beer, wine and hard liquor) was used to predict whether stations in that area would accept advertisements for that product. Thus the data analysis shows that stations located in states where per person consumption of wine is high were more likely to accept wine commercials ($p < .0477$). Not surprisingly, a similar pattern was found for other products. However, multicollinearity intervened. Distilled spirit consumption was found to be quite correlated with both wine consumption and with beer consumption. The level of beer consumption was used as the best summary predictor for the alcohol advertising clearance index. This variable will be carried forward to the final equation.

For the overall index of station permissiveness of airing alcohol commercials, the three components exhibit substantial overlap. A decision was made to use the single variable of state per capita distilled liquor sales as the proxy for local alcohol consumption. State per capita liquor sales was found to be significantly positively correlated to stations in that state carrying more alcohol commercials ($p < .0445$, $N = 188$).

H24 Stations located in conservative areas differ in their clearance of alcoholic beverage commercials.

Various measures exist to measure the conservativeness of a community. For example, voting records or national opinion polls could be studied. However, it is well-known that the southern part of the United States is more conservative than other sections of the country. In particular, many of the southern states have restrictive policies towards alcohol consumption and gambling. Therefore, in the interests of brevity and clarity, the southern region of the country was used as a proxy for conservativeness.

States in the South were coded as one while states located out of the South were coded as zero. Southern states were identified as Alabama, Arizona, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas and Virginia. Approximately 35% of the sample was from one of these twelve Southern states. Stations in the South were less likely to clear alcohol beverage commercials, but the difference ($\underline{p} < .1783$, $\underline{N} = 193$) was not significant.

H25 Stations located in heavily Baptist states have different alcohol clearance patterns than stations located elsewhere.

Writing about public policy on so-called sin products such as tobacco and gambling and calling the political environment to regulate these products a "moral revival," Holman Jenkins (1998) observed that research has shown "the single biggest indicator of state laws against gambling is the proportion of Southern Baptists in the population." Southern Baptists are also vocally opposed to alcohol consumption, so this study as well asked whether station managers living in states with a high percentage of Southern Baptists have a hesitation about airing these commercials.

From data collected in a 1990 study by the Church Growth Research Center, the percentage of each state's adult population that was identified as Southern Baptist was calculated and compared with the data on alcohol clearance. While stations located in states with high Baptist populations were less likely to clear alcohol commercials, the result was only significant at the .0677 level, not meeting the necessary level of confidence.

H26 Stations with larger staffs have different clearance patterns than stations with smaller staffs.

Stations with larger staffs are hypothesized to be more community focused because these stations have management personnel who can form more personal relationships with the general public. In addition, a fully staffed station allows managers more time outside the station for community involvement. The number of named departments heads listed in the M Street Radio Directory was used as a proxy for a full staff. If the general manager, sales manager and program director were each named and a different person occupied each job, the station was considered fully staffed. If the directory did not name all three department heads or if one person had more than one job, the station was considered a smaller staffed station. Those stations that have a fuller staff were more likely to clear all types of alcohol advertisements but the relationship was not significant ($p < .429$, $N = 191$).

Summary

In brief, conflicting evidence was found about whether stations with programming to target a high percentage of minority listeners have different policies than majority targeted radio stations. This question is of interest due to the concerns about targeting "at-risk" populations. The research by Schooler & Basil (1989), for example, showed that African American and Hispanic neighborhoods were more likely to have tobacco and alcohol billboards than other San Francisco neighborhoods.

In this study, one statistical test suggests minority targeting while another does not. However, given the facts that neither test proved significant and the sample size was small, no conclusion can be drawn by this study as to whether a different pattern of clearance exists for predominately African American audiences.

No evidence was found to support the hypothesis that stations that target female or younger listeners have any different policies than stations with older listeners. Thus no support could be found for the hypothesis that these populations are any more likely to be exposed to alcohol commercials than any other part of the population.

Analysis of Significant Audience Factors

This section brings forward all the significant variables from the five sections discussed earlier. To recap, the following variables have been suggested by bivariate analysis to have a significant explanatory capacity. Three variables are dichotomous: whether the station programs a religious format (FORMREL), whether the station uses relayed programming (RELAY) as its main format, and whether the station changed formats within the previous ten year (TBINARY). The final three variables are continuous. First, the state per capita distilled liquor consumption figure (STPCDIS) that corresponds to the state where the station is located was suggested as a predictive variable. Second, whether the station's format targets a high percentage of individuals making over forty thousand dollars a year (FORFOURI) is also indicated. The final variable (FORDBI) was the extent to which the format the station uses is popular among beer drinkers.

Table 7-4

Final Model of Audience Factors

Dependent Variable INDEX

Variable	B	SE B	Beta	T	Sig T
STPCDIS	.646423	.414007	.101282	1.561	.1202
FORMREL	-2.684869	.792529	-.341203	-3.388	.0009
RELAY	.498620	.369628	.091586	1.349	.1790
TBINARY	.681635	.332700	.134537	2.049	.0419
FORFOURI	.007179	.013354	.055164	.538	.5915
FORDBI	.009151	.015409	.081291	.594	.5533
(Constant)	.709623	1.323293		.536	.5924

$F = 10.641$, $p < .00005$, Adj. R squared = .235, $N = 188$.

Conclusions

Two significant conclusions emerge from the total model of audience factors. First, and not at all surprisingly, stations whose primary format is religious programming are very negatively associated with alcohol beverage commercial clearance. Second, stations that had changed formats within the past decade were more likely to clear advertisements for alcoholic beverages. One explanation for this outcome may be that stations that have established a long history with a community and have a well-defined sense of identity with listeners are reluctant to jeopardize that relationship by clearing controversial commercials.

Though state per capita distilled liquor sales and the use of relayed programming were positively associated with increased clearance of alcoholic beverage advertisements, neither variable was significant at the .05 level when the seven factors were considered simultaneously.

Given these strong results, the variables of format tenure (TBINARY) and religious format (FORMREL) will be carried forward to the final model.

Table 7-5
Correlations of Significant Audience Factors
Correlation coefficients
(probability)

	INDEX	STPCDIS	FORMREL	RELAY	TBINARY	FORFOURI	FORDBI
INDEX	1.000	.1464 (.044)	-.4540 (.000)	.1932 (.007)	.1691 (.019)	.2890 (.000)	.4043 (.000)
STPCDIS	.1464 (.044)	1.000	-.0810 (.268)	-.0387 (.597)	.0272 (.710)	.0832 (.255)	.1569 (.031)
FORMREL	-.4540 (.000)	-.0810 (.268)	1.000	-.1896 (.009)	-.0084 (.908)	-.4647 (.000)	-.7382 (.000)
RELAY	.1932 (.007)	-.0387 (.597)	-.1896 (.009)	1.000	.2122 (.003)	.0899 (.216)	.0513 (.481)
TBINARY	.1691 (.019)	.0272 (.710)	-.0084 (.908)	.2122 (.003)	1.000	.0712 (.327)	.0639 (.380)
FORFOURI	.2890 (.000)	.0832 (.255)	-.4647 (.000)	.0809 (.216)	.0712 (.327)	1.000	.7590 (.000)
FORDBI	.4043 (.000)	.1569 (.031)	-.7382 (.000)	.0513 (.481)	.0639 (.380)	.7590 (.000)	1.000

Table 7-6

Summary Statistics for Significant Audience Factors

Variable	Mean	St. Dev.	Number of cases
INDEX	3.450	2.493	191
STPCDIS	1.282	.388	189
FORMREL	.110	.314	191
RELAY	.293	.456	191
TBINARY	.393	.490	191
FORFOURI	110.859	19.102	191
FORDBI	105.382	21.938	191

Chapter 8

Combining economic, ethical and audience factors

The previous chapters analyzed separately the three principle parts of the dissertation: economic, ethical and audience factors. After a review of the positive findings from each part, this chapter will compare simultaneously these various explanatory factors. By bridging across these theoretical areas, an explanatory equation will be constructed that includes all three aspects and identifies which specific factors best explain the empirical variation found in the advertising clearance data.

Review of Economic Aspects

The first part of this work studied technical and financial factors, which earlier research pointed to being important in understanding the economic performance of a radio licensee. Only three of the original eight hypotheses were found to have some support.

H2 A station's technical strength plays a factor in clearance of alcohol commercials.

Of the many theorized technical variables, only low frequency AM radio stations were found to be significantly more likely to clear alcohol commercials. These stations were recoded into a dichotomous variable called LOWFRAM. However, in a regression including all the significant economic factors upon the alcohol index, this variable was not significant at the .05 level.

H5 Stations whose owners control a large number of stations have different alcohol polices than stations whose sole radio interest is that one station.

This hypothesis was operationalized through the coding of whether the station was licensed to a group owner, a dichotomous variable named GROUPOWN, and the number of co-owned sister radio stations (SISTERS) the station had in its media market. While both GROUPOWN and SISTERS were positively associated with clearing more types of alcoholic beverage commercials, only SISTERS was found to be significant at the .05 level in a regression of all the economic factors.

H8 Stations that compete more vigorously with print media will have different alcohol placement patterns than stations that do not.

Managers were asked whether they saw their stations competing more vigorously with print media for advertisers. Those who agreed strongly with this statement were more likely to clear alcoholic beverage advertisements. However, in a regression of all the significant economic factors, this variable (dubbed COMPETITOR) was not significant.

Review of Ethical Aspects

The second section of the dissertation explored how demographic and the self-reported values of the general manager influenced the alcohol beverage clearance decision. The following hypotheses were proposed by the literature review and found some support in correlation analysis with the alcohol index.

H9 Demographic factors such as the age, education, gender, relative income and race of the general managers are associated with differences in the clearance process.

Of these demographic factors, only age was found to be significant. This result held true in both the bivariate and multivariate situations.

H10 The college major of the manager influences the alcohol clearance decision.

Managers who identified themselves as being business majors (coded as BIZMAJOR) were more likely to clear all types of alcoholic beverage advertisements than non-majors were. This result held true even when considered with all other significant ethical variables.

H12 Long-term attitudinal values held by general managers relate to their alcohol advertising clearance decisions.

Of the nine values proposed by Kahle (1983), only significant support was found for the item of "warm relations." Managers who reported themselves as highly valuing warm relations with others were less likely to clear alcohol commercials than managers who did not strongly value this construct. However, in a regression of all the ethical factors considered simultaneously, warm relations was not a significant predictor at the .05 level.

H13 The religious affiliation and religiosity of the manager are related to the alcohol clearance decision.

While the manager's denominational affiliation wasn't significant, the agreement with the religiosity index (coded as RELIGITY), first proposed by Wilkes, Burnett & Howell (1986), was bivariately correlated with the alcohol index. However, in a regression of all the significant ethical factors, religiosity was not a significant predictor at the .05 level.

H14 A general manager's self-reported belief in professional values influences his or her alcohol clearance polices.

Though marred by a low reliability, the professional values index, first proposed by Singhapakdi & Vitell (1990), proved a good correlate of the alcohol index, both as an individual predictor and in the multivariate regression of all significant ethical factors.

H15 Wicks & Abernethy's measures of ethical belief items are correlated with alcohol clearance.

Two predictors emerged from Wicks & Abernethy's (1997) paper. First, a construct centered around the manager's self-reported situational concerns for his or her personal ethics, the audience and other advertisers, dubbed ETHICS for statistical analysis, was highly predictive of the alcohol index in both the bivariate and multivariate circumstances.

A second construct derived from the Wicks & Abernethy work was a self-report of how much the manager agreed with the statement that his or her job was to earn the highest profits (HIGHPROFIT). Managers who strongly agreed with this statement were more likely to air all types of alcohol commercials. However, in a regression of all variables in this section of the dissertation, this variable was not significant at the .05 level.

Review of Audience Aspects

The following audience-related hypotheses were considered and found to have at least partial support.

H16 Alcohol commercial clearance varies by format.

Only religiously formatted radio stations were found to have a substantially different alcohol policy than stations with other formats. Radio stations with a religious format were much less likely to carry alcoholic beverage commercials. This result held true in every situation considered.

H17 The age, sex, race and income of a station's target audience affects the alcohol clearance decision.

Only stations with relatively wealthy listeners, defined as those stations having formats which nationally attract a large block of listeners earning over $40,000 a year, were more likely to clear alcoholic beverage advertisements. However, in a regression of all audience-related variables, the relationship between this variable and the alcohol index was not significant.

H18 The alcohol consumption behavior of the audience plays a role in the clearance decision.

Obviously, advertisers will choose to buy advertisements on stations that attract individuals already predisposed to alcohol consumption. Using the Simmons (1996) research database, each station's format was nationally analyzed to see if it attracted individuals who reported being more likely to drink. For statistical simplicity, the relative willingness of each format's average audience member to consume beer (coded as FORDBI), was considered. While bivariately correlated with the alcohol index, this variable was not significant when considered against other factors.

H19 Radio stations that rely on local programming have different alcohol clearance patterns than stations that relay programming.

Stations that relay programming from a distant studio, via satellite feed or through a simulcast of another station, were found to be more likely to accept alcoholic beverage advertisements than stations whose programming originates from a local studio. However, when considered simultaneously with other audience factors, the relationship was not significant at the .05 level.

H20 Stations that have maintained a stable format over the years have different alcoholic beverage clearance standards than stations with frequent format changes.

It was shown that stations that had changed formats over the previous decade (coded as a "one" in the variable TBINARY) were more likely to clear more types of alcoholic beverage commercials than stations that had maintained the same format during the same time period. This result held true even when considered in a multiple regression of all other significant audience-related factors.

H23 The per capita alcohol consumption of the station's service area is correlated with the alcohol policy.

Since the best available data was at the state level, each station's location was coded by state and cross-referenced with that state's per capita annual consumption of distilled spirits. While stations located in states with relatively high levels of alcohol consumption were more likely to clear more types of alcoholic beverage advertisements, this relationship disappeared when controlled by the inclusion of other alcohol-related variables.

Summary of the three aspects separately analyzed

Table 8-1

Summary statistics for each chapter's final regression

Aspect	F Statistic	Adj. R Squared
Economic	3.135	.043
Ethical	16.468	.410
Audience	10.641	.235

Since the R squared represents the amount of variance in the criterion (or dependent) variable that is accounted for by the combination of predictor variables (Sproull, 1995, p. 383), it is obvious that the ethical aspects, by themselves, best explained the alcohol index. The audience factors also contributed to the equation but not as strongly as the ethical factors did. However, this chart reveals only the separate analysis of the factors. The goal of this project is to build across these separated fields of communication. Therefore, the variables, found separately to be significant, will now be jointly considered.

Seven variables were found to be significant in both independent analysis with the dependent variable and when considered against other variables in their theorized dimension. Of economic factors, only the number of sister stations (SISTERS) had predictive power. From ethics, several variables demonstrated power. They are the manager's age (AGE), college major (BIZMAJOR), belief in professional values (PROFVAL) and belief in ethics (ETHICS). Finally, the audience-related statistical analysis revealed that religious stations (FORMREL) and format tenure (TBINARY) were important predictors of the alcohol policy.

Factor Analysis

An exploratory principle components factor analysis using varimax rotation was conducted to discern what natural groupings occurred among these seven significant variables. Three significant components were identified. In the first component, which explained 24.3 percent of the variation, managers who programmed a religious station and those who responded favorably to the Wicks-Abernethy ethical measures were highly loaded on one factor. A manager who reported him or herself strongly valuing ethics (that is scoring low in the Wicks & Abernethy factors) was strongly related to working at a religious station. In the second factor (which accounted for another 17.6 percent of the variation of the independent variables), studying business after high school and a self-reported belief in professional values were heavily loaded on this second construct. The third factor accounted for just over 15% of the model and was highly explained by the manager's age and his or her station's format stability. It is interesting to note that the ethical variables were distributed across all three factors, rather than loading upon one factor. This suggests that ethics and values are not unidimensional.

Table 8-2

Factor Analysis of Variables

	Factor 1	Factor 2	Factor 3
SISTERS	.49632	-.40546	.32816
AGE	-.04733	.24618	-.68565
BIZMAJOR	.02646	.77259	-.09167
PROFVAL	.30717	.52902	.30196
ETHICS	.77276	.12467	.06101
FORMREL	-.82630	-.08440	.14833
TBINARY	-.06988	.25074	.69583

To further explore the explanatory power and relative strength of these independent variables, the variables were simultaneously regressed upon the dependent variable.

Table 8-3

Final Model of Significant Economic, Ethical and Audience Factors

Dependent Variable INDEX

Variable	B	SE B	Beta	T	Sig T
SISTERS	.066529	.150262	.027752	.443	.6585
AGE	-.040333	.015387	-.161855	-2.621	.0096
BIZMAJOR	.884665	.399465	.135380	2.215	.0282
PROFVAL	.070758	.047028	.093458	1.505	.1344
ETHICS	.191162	.031117	.417351	6.143	.0000
FORMREL	-1.864604	.579595	-.221703	-3.217	.0016
TBINARY	.595156	.303404	.118387	1.962	.0516
(Constant)	1.635665	1.108163		1.476	.1419

F = 17.43540, (p < .0005), Adj. R squared = .40935, N= 166.

This regression equation reveals four significant variables at the .05 level. First, ethics was found to be the best predictor, followed closely by whether the station had a religious format or not. Older managers continued to be less likely to clear a variety of alcohol advertisements whereas business majors were more likely to do so.

Reformulations of the model

Three reformulations of this final model were done in order to examine and demonstrate the robustness of the model.

First, the final model was redone to test whether the decision to use the alcohol index, rather than a factor scale, as the dependent variable was appropriate. As argued in the methods section, the alcohol index was chosen over a transformed factor scale due to its simplicity and interpretability. In addition, it is well known that a small departure from the normality assumptions of a regressed variable makes little difference in results. Indeed, comparing Tables 8-3 and 8-4 demonstrates that the decision to use the alcohol index over the factor scale had little impact.

Table 8-4

Regression of Final Model Variables upon the Factor Scale

Dependent Variable FACTOR SCALE

Variable	B	SE B	Beta	T	Sig T
SISTERS	.021292	.060964	.022116	.349	.7274
AGE	-.015470	.006243	-.154584	-2.478	.0143
BIZMAJOR	.359565	.162070	.137011	2.219	.0279
PROFVAL	.027853	.019080	.091606	1.460	.1463
ETHICS	.077163	.012625	.419484	6.112	.0000
FORMREL	-.705955	.235152	-.209010	-3.002	.0031
TBINARY	.249060	.123096	.123362	2.023	.0447
(Constant)	-.764604	.449601		-1.701	.0910

$F = 16.625$, ($\underline{p} < .00005$). Adj. R squared = .3972, $\underline{N} = 166$.

A second version of the final model was tested in Table 8-5. This time the model included only objective independent variables, such as the age of the manager or the station's tenure in format. It excludes the self-reported religiosity and ethics of the manager on the grounds that respondents may have been giving socially desirable answers to the researcher. Given the results of Table 8-5, the original conclusion of the final model is reinforced. Ethical factors matter because, when these self-reported measures were eliminated, more weight was placed on those objective factors, such as age, that other research has shown to be related to ethics.

Table 8-5

Regression of All Objective Final Model Variables upon the Alcohol Index

Dependent Variable INDEX

Variable	B	SE B	Beta	T	Sig T
SISTERS	.108950	.163093	.044716	.668	.5050
AGE	-.050399	.015698	-.207876	-3.211	.0016
BIZMAJOR	1.196043	.432241	.177733	2.767	.0063
FORMREL	-3.517952	.532400	-.437021	-6.608	.0000
TBINARY	.775136	.325013	.152931	2.385	.0182
(Constant)	5.565600	.817816		6.805	.0000

$F = 14.9179$, ($p < .0005$), Adj. R squared = .2811, N = 178.

Finally, given a hypothetical argument that a final regression presented in one of the three sections could be incorrect and therefore an important significant variable was eliminated on faulty statistical grounds, every variable found to be bivariately related to the independent variable was considered. Because of the limited sample size, a stepwise regression approach was used to control the number of independent variables admitted.

Again, this regression, as shown in Table 8-6, demonstrated the importance of ethical factors.

Table 8-6

All Significant Variables upon the Alcohol Index using Stepwise Regression

Dependent Variable INDEX

------------------ Variables in the Equation ------------------

Variable	B	SE B	Beta	T	Sig T
AGE	-.037994	.015450	-.152504	-2.459	.0151
FORMREL	-1.959230	.565483	-.237967	-3.465	.0007
TBINARY	.668897	.306163	.134623	2.185	.0305
ETHICS	.192620	.030924	.436624	6.229	.0000
WARM	-.014515	.007046	-.127309	-2.060	.0412
LOWFRAM	.947462	.365198	.159338	2.594	.0104
(Constant)	3.481153	1.067424		3.261	.0014

------------- Variables not in the Equation -------------

Variable	Beta In	Partial	Min Toler	T	Sig T
SISTERS	-.023298	-.030068	.730357	-.365	.7158
BIZMAJOR	.097031	.130204	.725517	1.592	.1135
RELIGITY	-.098346	-.122328	.689584	-1.494	.1372
PROFVAL	.113104	.149646	.722841	1.835	.0685
HIGHPROFIT	-.114580	-.155452	.730745	-1.908	.0583
COMPETITOR	-.066088	-.089170	.731304	-1.085	.2795
GROUPOWN	-.001221	-.001612	.722994	-.020	.9844
STPCDIS	.085119	.112347	.727629	1.371	.1725
RELAY	.050226	.064661	.730442	.786	.4334
FORDBI	.014603	.013685	.440478	.166	.8684
FORFOURI	.023190	.026962	.665643	.327	.7441

$F = 21.7078$, ($\underline{p} < .0005$). Adj. R squared = .4465, $\underline{N} = 154$.

Conclusions

Here, in relative order of importance, are the best predictors of alcohol policy. The first three variables were shown to be the most powerful explanatory factors in explaining a station's alcohol policy and, through multivariate analysis, these variables have proven repeatedly to be the best predictors of the criterion variable.

First, the ethical dimensions adapted from Wicks and Abernethy (1997) were the single most powerful variable in explaining alcohol clearance. The manager's self-reported measure of situational ethical responsibility was the best single variable in explaining a station's alcohol policy.

Second, stations with a religiously based format were much less likely to air any alcohol-related commercials. While at first glance this finding appears trivial, it does show that format considerations play a role in what decisions are made by a station's business office. Audience members could find these commercial messages incompatible with the surrounding format programming on a station; therefore, these stations refuse these advertisements. A competing explanation would be that alcohol advertisers are not interested in these listeners since they are unlikely to be consumers of these advertised products.

Third, the manager's age was found to be highly predictive of a station's alcohol policy. Two relevant facts may help explain this. First, managers who are older are more likely to have operated under the NAB code. As discussed earlier, this code had strict rules against hard liquor advertisements and imposed limits on other types of alcoholic beverage advertisements. As mentioned in the literature review, there is support for the finding that age is associated with more socially responsible behavior. Indeed, this view is reflected in age-based limits for activities as driving or becoming a U.S. Senator. Further research will have to clarify the antecedent conditions that make age such a good predictor.

A fourth variable was found in one regression to be at the border of significance ($p < .0516$), but all other work showed it significant. The variable, TBINARY, measured whether a station had changed formats in the previous ten years. Stations that had changed formats during this time period were more likely to air alcohol commercials than stations with more stable formats. It was theorized that stations that had less of an identity in the community, and thus less of a connection with that community, were more likely to air alcohol advertisements.

A fifth variable proved significant in every equation, save one where it was only significant at the $p < .1135$ level. Business majors were more likely than other managers to approve alcoholic beverage commercials. If one believes that alcohol advertising is ethically suspect, this finding, along with other results discussed above, ties in with a body of literature showing business majors to act less ethically than professionals from other majors. The ethics gap has troubled many business school faculties and is an active area of business and marketing research. It should be noted that there is no evidence to date that business school faculty intentionally transform managers. Individuals who pursue business studies may simply have a different ethical outlook before they begin classes than individuals who choose other majors.

Two more variables were shown in Table 8-6 as being worthy of more research despite incomplete conclusions about their significance. Warm relations with others, a component of the List of Values, has been shown to be related to the alcohol index. Individuals who value warm relations are less likely to clear alcohol beverage commercials.

Finally, AM stations that broadcast at lower frequencies are more likely to clear alcoholic beverage advertisements. One possible explanation for this finding is that, in many cities, spoken word formats such as news/talk and all sports stations are likely to be lower on the dial since these stations have larger coverage areas. Since these stations also tend to carry professional sports, they may be more likely to deal with alcohol advertisers on a regular basis in order to pay for their broadcast rights.

In conclusion, based solely on this technical analysis, it is obvious that researchers must consider the role of a decisionmaker's personal values when discussing their advertising and programming decisions. The analysis clearly indicates that a manager's ethics and values, broadly defined, are driving the observed differences in alcohol clearance at his or her station. It demonstrates vividly the role of media manager's personal efficacy. This research shows that a media manager is not a mere instrument but an active agent in determining what goes on at the station where he or she is employed.

Table 8-7
Correlations of Significant Final Model Variables
Correlation coefficients
(probability)

	INDEX	SISTERS	AGE	BIZMAJOR	PROFVAL	ETHICS	FORMREL	TBINARY
INDEX	1.000	.1963 (.006)	-.1745 (.019)	.2030 (.005)	.2616 (.000)	.5569 (.000)	-.4540 (.000)	.1691 (.019)
SISTERS	.1963 (.006)	1.000	-.1175 (.114)	-.0782 (.287)	.0181 (.810)	.1897 (.010)	-.2252 (.001)	.0899 (.207)
AGE	-.1745 (.019)	-.1175 (.114)	1.000	.0843 (.260)	-.0930 (.225)	-.0638 (.400)	-.0716 (.337)	-.0617 (.408)
BIZMAJOR	.2030 (.005)	-.0782 (.287)	.0843 (.260)	1.000	.1196 (.113)	.0972 (.196)	-.0632 (.390)	.0434 (.555)
PROFVAL	.2616 (.000)	.0181 (.810)	-.0930 (.225)	.1196 (.113)	1.000	.1829 (.015)	-.2321 (.002)	.0537 (.474)
ETHICS	.5569 (.000)	.1897 (.010)	-.0638 (.400)	.0972 (.196)	.1829 (.015)	1.000	-.4306 (.000)	.0374 (.614)
FORMREL	-.4540 (.000)	-.2252 (.001)	-.0716 (.337)	-.0632 (.390)	-.2321 (.002)	-.4306 (.000)	1.000	-.0364 (.610)
TBINARY	.1691 (.019)	.0899 (.207)	-.0617 (.408)	.0434 (.555)	.0537 (.474)	.0374 (.614)	-.0364 (.610)	1.000

Table 8-8
Summary Statistics for Variables in the Final Model

Variable	Mean	Standard Deviation	Number of cases
INDEX	3.450	2.493	191
SISTERS	1.089	1.000	191
AGE	46.525	10.249	181
BIZMAJOR	.161	.369	186
PROFVAL	11.615	3.224	179
ETHICS	13.880	5.451	183
FORMREL	.110	.314	191
TBINARY	.393	.490	191

Chapter 9

Suggestions for further research

This chapter discusses two exploratory areas included on the survey and recent changes in the legal and media environments that may affect the conclusions. This chapter also outlines areas for future work in this dynamic field.

First, two important areas of the dissertation not included in the previous statistical analysis will be briefly discussed for completeness. A common procedure in quantitative research where respondents are given fixed choice questions is to offer a free response part of the questionnaire to account for any discrepancies in question wording and to allow managers to amplify their constrained choice answers. In this section, general managers were invited to provide "any other comments you wish to make about your station's advertising policies."

Forty-five managers (23.5 % of the sample) availed themselves of this opportunity. Their comments varied widely. For example, one manager said his wife had influenced his decisions on accepting alcohol advertising, while another long-tenured owner/manager said, in addition to forbidding alcohol, he had also prohibited tobacco advertisements back in the 1960s when they were legally permissible on broadcast stations. Looking across these textual comments, seven common areas of concern emerged.

First, three general managers noted that their station had an explicit policy of running anti-drinking public service announcements (PSAs), such as those produced by Mothers Against Drunk Driving, as a counterbalance to paid alcohol advertisements.

Second, five managers indicated that they were influenced either by their state broadcasters association or by the now defunct N.A.B. code when determining their current alcohol policy.

Third, seven managers cited the First Amendment or other legal arguments as a reason they aired alcohol advertisements. As one manager wrote, "If it's legal to sell, why in the hell shouldn't we advertise it?"

Fourth, five managers cited local alcohol-related incidents as an influence on their policy. For example, one Maryland manager sent in a clipping from a local newspaper detailing the recent death of a local student as a result of an alcohol-related traffic accident.

Two managers said that while they didn't feel comfortable soliciting alcohol-related products, they would accept them if an unsolicited offer was made on behalf of an alcohol advertiser. Presumably such advertisements would come into a local station from a national network or agency.

Three managers used the free response area to note that the alcohol policy had been discussed with, and shaped by, regular station employees, not simply the management personnel, such as sales managers or program director, that were offered by the questionnaire as possible influences.

Finally, four stations indicated that they had different rules for carrying alcohol advertisements during sporting events. One station carried beer advertisements only during professional games and not while carrying amateur sports. Another specifically excluded all alcohol-related advertisements during high school football broadcasts.

The survey also included several projective scenarios and advertisements for the manager to approve. These features were included because other research has demonstrated their validity (Carlin, 1966; Smith & Quelch, 1998, p. 596). In addition, these scenarios allow a research subject to be given a richer question to draw out more realistic responses from him or her. However, after data collection, it was obvious that the best dependent variable for analysis was the alcohol index. More respondents filled in that section of the questionnaire than took the time to read and consider the full circumstances of all the scenarios. In addition, a statistical analysis indicated that those managers who were the most likely to approve the sample scripts for alcohol were also high on the alcohol index ($p < .0005$). Respondents who self-identified their clearance decision in the projective scenarios as ethical were also likely to measure high in the Wicks & Abernethy construct of ethics ($p < .0005$). Therefore, a fuller analysis of the scenarios would be redundant. Given that the managers in the survey were actually facing alcohol clearance dilemmas and responded to them in other sections of the survey, the use of artificial projective scenarios proved unnecessary.

Extending the research

Rotfeld & Abernethy's (1992) exploratory study of controversial advertisers on radio reports that a variety of products besides alcohol were forbidden. Adult book stores, abortion clinics, fortune tellers, feminine hygiene products and gun stores were all forbidden by some radio station general managers. The research on alcohol products could be expanded to explore whether the pattern found here holds true across a range of other controversial products since their providers also ask media managers for access to the public airwaves on a regular basis.

However, a more practical, and perhaps more satisfying, area of research extension would be to compare responses on the same set of questions across the various communications media. For example, Nwachukwu (1993) studied how values predict the approval of print ads of the type generally found in magazines. Television clearance patterns have now been studied by Wicks & Abernethy (1997). This study explores radio advertising. Extending the research simultaneously across media would be beneficial in testing whether the hypotheses are generalizable to other situations.

Yet the exact nature of radio commercials and the way these advertisements influence the audience are not well known. A literature review found content analyses of television, magazine and newspaper alcohol advertisements, but not a single study of radio ad content. The features of televised alcohol commercials are well known. From his analysis of alcohol commercials, Berger (1997) points out that alcohol consumption is often portrayed as a prize for hard work or as a sign of success. As a genre, televised alcohol commercials feature sex and humor in an attempt to attract an audience to their content, often in conjunction with sports heroes or attractive models as spokespersons. No doubt these visual aspects of communication can be persuasive (Messaris, 1997), but radio managers do not have to consider the appropriateness of visual advertisements. In this study, one radio station manager volunteered that he believed that sound-only advertisements are less of a social problem because they cannot make the explicit visual linkages between alcohol and sex found in televised advertisements. However, sexual appeals and social status cues, frequently observed in other communications media, can also be presented in radio creative work. For example, two contemporary radio advertisements for hard liquor broadcast during this study featured exotic locations and romantic interludes. Knowing more about these commercials and how their creators design the purchasing message would be a contribution to the literature.

Further exploring the idea that there may exist meaningful differences among media practitioners, it should be noted that there does exist a great deal of literature studying how journalists handle ethical dilemmas. Indeed, when we speak of media ethics, most often we refer to the ethics of journalists. While addressing questions of validity across media fields, an additional question needs to be asked to see how professional media managers compare to their colleagues who self-identify themselves as journalists. A key difference between managers and journalists is one of professional obligation. Summarizing the management literature. Megginson, Mosley & Pietri (p. 333) note that executives are highly motivated by money and its external accoutrements such as prestige. On the other hand, professionals such as journalists tend to be more self-motivated but are hampered by their "dual allegiance to both their employer and their professional colleagues." A manager's self-described professional values, drawn from a code of ethics of marketers and advertisers, was explored in this work, but more research needs to be done to link the extensive literature on journalistic ethics with media management ethics.

Organizational influences

An earlier section of this work reported that the presence of a written code of ethics, a theorized organizational factor, had no relation with the station manager's decision to approve advertising for a variety of alcoholic beverage products. At first glance, this seems to run counter to the general conclusion that ethical values do matter. This research provides further evidence that this concept of consumer protection is embedded in the person, not in the organization he or she works for. Yet, much more work can be done to assess the organizational influences on the manager and the decisions the manager makes.

An important organizational influence is the station's owner to whom the general manager directly reports. As Lacy & Simon (1993, p. 135) note in their study of newspapers, different owners can have different goals, and thus different outcomes, for a particular media enterprise. For example, we would expect a media organization owned by a church, such as the Latter Day Saints-owned Bonneville radio group, to have different priorities and policies than one owned by a large, publicly traded corporation whose management is held responsible for quarterly profits. Therefore, the ownership of the station may directly influence the alcohol advertising policy.

An area that needs to be clarified is the relationship between the owner and management. For the sample analyzed here, roughly half of the managers were also owners. But what about the other half who are not owners, but mere employees? While the analysis revealed no systematic difference between employee-managers and owner-managers in their alcohol clearance decisions, this issue of how closely managers, and all media employees, act on behalf of owners is a complex and controversial question in media studies.

A first step in answering this question is to look at how individuals get into this decision-making chair. How does the career path of a general manager influence his or her day-to-day decisions? This study could not answer this complex question, but to unpack the conclusion that ethics matters, it is necessary to understand what shapes this behavior and how it is formed.

For example, while the level of education was probed, the influence of religious upbringing and even religious education was not explored. While exploring the religious values of respondents is not a common area of communications inquiry, it is called for in this case. Given the strong results presented by the data analysis, religious broadcasting, a communications industry often ignored by mainstream communications scholars, is worthy of study to further understand why these managers are so different from other individuals performing the same function. What is the process by which a radio professional becomes interested in working in religious, as opposed to secular, broadcasting? More importantly, what features does this individual, undoubtedly trained in the same basic mechanics of the job as a secular broadcaster, have that leads to a different career path?

Another area to be explored is the affinity between ownership and management. In a recent discussion about why there are few minorities in broadcast management, Marcellus Alexander, vice president and general manager of Philadelphia's KYW-TV, said that the reason employee-managers of media properties tend to resemble the owners of these properties is due to a construct he calls comfort. "Before a station group head turns the 'keys to the store' over to a GM, he will want to feel 'comfortable' with that person." Though experience and qualifications are important, comfort, which can come from such things as being the same race or religious background, strongly influences who is chosen as a general manager ("Board member: Marcellus Alexander", 2000).

Breed (1955) argues that the closeness between owner and manager is more a result of the worker adapting him or herself to the owner. In his study of newspaper polices, Breed notes that owners have the legal right, backed by disciplinary power, to set media policy. However, compliance by media employees with the owner's policies is generally gained by more subtle methods. In fact, controversial policies imposed by management are often not formally documented. New employees learn these covert policies through trial and error and by observing how more senior employees handle such problems. Mid-level managers, in Breed's case the editors, quickly indoctrinate new employees in correct modes of behavior. Subtle warnings will, if necessary, be followed by harsher punishments. In a short period of time, new employees either adapt to the corporate culture where they are employed or these news workers change their place of employment. Other possible avenues of owner influence over media professionals are by hiring and promoting employees who share their same political viewpoints and biases. Employees, mindful of their careers, also try to anticipate what the owner wants and self-censor content that would upset the owner while promoting content that pleases the boss.

Demers (1996), in his study of corporate newspapers, is relatively unconcerned about ownership. His research demonstrates that corporately owned newspapers are better able to respond to change and, by many measures, are better servers of their community than independently owned newspapers. In particular, while recognizing the public's concerns over media oligopoly, he argues that the increased diversity of the social system keeps this power in check. If a media outlet is to survive, it must reflect the diversity of the social system in which it operates, and not be beholden to the limited interests of ownership. Of particular interest to this research, Demers finds support for a managerial revolution hypothesis, a concept he traces back to Adam Smith and Joseph Schumpeter. The managerial revolution model holds that power in a modern corporation has slipped away from owners, who are often widely dispersed shareholders in a modern conglomerate, and towards professional managers who may be less concerned with profitability than with preserving the organization's reputation. While examining the organizational power structure of a media outlet was not the central question of this work, the results here clearly indicate that that intrinsic ethical standards and values of the general manager of a radio station had much stronger predictive power than the measures of ownership strength used.

Since conflict analysis is a vehicle to understand the nature and operation of power, future consideration must be given to what happens when there is a difference between management and ownership over commercial advertising standards and practices. Most managers indicated they were lightly supervised by the ownership. Only 2% of managers disagreed with the statement that "I have a large amount of discretion when managing my station." Yet many anecdotes in media history relate how owners exerted direct control over advertising, editorials and even objective news coverage, over the objections of media professionals. Further research is also needed to elucidate the way the organization below the level of the manager influences his or her decisions.

Other research methods, such as interviews with individuals at all levels of an organization or depth interviews with managers and owners highlighting conflict and affinity, would be a better approach than a mailed questionnaire to understand the influence of organization on this decision-making process.

Legal Environment

Moore (1999, pp. 188, 249) argues that "the history of the U.S. Supreme Court's involvement in commercial speech issues is basically a patchwork of sometimes confusing and often contradictory decisions that strain even the most patient legal scholar's ability to discern trends and general principles." A lawyer with a doctorate in mass communications, Moore holds the opinion that some federal regulation of alcoholic beverage advertisements might withstand First Amendment scrutiny in light of recent Supreme Court decisions. His opinion is also informed by his analysis of the historical record for such products as tobacco, which proves that industry self-regulation rarely works and that the federal government may be called upon to continue to regulate alcohol marketing as well.

However. recent regulatory and court decisions have indicated that advertising for all types of alcoholic beverages to adult audiences has strong legal support. For example. in the spring of 1998, new FCC chairman Bill Kennard. facing a hostile legal and political environment. backed down from ordering an inquiry into broadcast stations which ran alcohol advertising.

In 1999. the Supreme Court, in a 9-0 vote. ruled in Greater New Orleans Broadcasting Association v. United States that the federal government's existing ban on television and radio advertisements of casino gambling was unconstitutional and violated the free speech rights of broadcasters in states where gambling is legal. The reasoning in the case was so clear that many observers believed the court would apply the same reasoning to any future ban on alcohol advertising. This case advanced the logic of an earlier case, 44 Liquormart. Inc., v. Rhode Island (1996), where the U.S. Supreme Court explicitly recognized the free speech rights of alcoholic beverage manufacturers to advertise their products by striking down a ban on retail price advertising of beverage alcohol products.

The Supreme Court, relying on the Central Hudson reasoning, has demanded that any government limits on truthful and non-misleading commercial speech be shown to directly advance some asserted government interest and be no more extensive than necessary. If they do not, those governmentally imposed limits, the Court reasons, violate the First Amendment.

Eddie Fritts. the President and CEO of the National Association of Broadcasters. responded to these ruling by saying that "[t]his opinion affirms that local broadcasters be afforded the same commercial-free speech rights as state lottery sponsors and newspaper publishers in advertising a legal product." The Greater New Orleans Broadcasting Association brought the casino case, according to its Executive Director Don Cooper, to the courts because the member stations were fearful of the adverse action by FCC if they took these ads (Spangler, 1999). Halonen (1999) quotes industry sources as noting that this Court decision on casino ads "could blow open the door to advertise distilled spirits and other controversial products." Jack Kamp, senior vice president for the American Association of Advertising Agencies, says, "If I were a regulator wanting to pass a ban on liquor advertising, this would stop me in my tracks."

However, the Court has left the door open for reasonable restrictions. But what are reasonable restrictions? Protecting underage youth would probably be the area most likely to withstand court scrutiny.

Recently, the Federal Trade Commission has probed alcohol companies which buy advertisements in media products that have an expected 15-30 percent usage by people under 21 years of age. This level is similar to the Food and Drug Administration's identification of 15% of the total audience for a media product being under the legal age for tobacco consumption functioning as a critical threshold for government intervention into marketing practices. Advertisers who deliberately target underage audiences would run afoul of existing federal and state deceptive practices laws and regulations.

A proposal was made to the Federal Communications Commission by the National Woman's Christian Temperance Union and other alcohol activist groups for the Commission to require that the v-chip installed in new television sets be able to black out beer and other alcohol-related advertisements ("FCC asked to block beer advertisements…", 1998). If approved, this voluntary parent-controlled restriction is likely to meet the Court's approval.

Since the survey was distributed, the upward trend in hard liquor advertising has continued. For example, Austin, Nichols & Company, the maker of Wild Turkey bourbon, became the latest liquor manufacturer to start broadcast advertising. In the summer of 2000, the company spent half a million dollars buying radio time in 12 major markets including Houston and New Orleans. In June 2000, Wang reported that NBC television affiliate KVBC in Las Vegas was airing hard liquor advertisements for Seagram and Jack Daniels. Gene Greenberg, the general manager of the station, noted that most stations shy away from these advertisements, but he called hard liquor "the most exciting new category in television, if it catches on." Lisa Hawkins of the liquor industry trade group DISCUS reported that more than 2,000 radio and TV stations had aired hard-liquor advertisements and noted the lack of public controversy in those areas where the commercials have aired (Halonen, 2000).

Researchers should continue to explore the effect of the Telecommunications Act of 1996 on advertising policy. The effects of the Act, including a great escalation of station prices, easier license renewal for broadcast stations and a larger concentration of ownership, were just beginning to be seen at the time of this survey. Future researchers may be able to answer the question of whether there is a relationship between the Act's passage and the observed increase in the advertising of alcohol products and businesses.

In addition to changes in the legal environment, future researchers will have to consider the effects of time and peer pressure in the alcohol clearance decision. Current managers will age. The study noted that older managers are less likely to approve alcohol advertisements and an earlier section discussed several theories explaining this result. Future researchers will need to consider whether this effect was due to the unique factors that shaped this cohort of managers or whether the relationship of age and more responsible behavior, often posited by the literature, holds true over a generational shift.

Over time, standards and beliefs about a range of human behavior also have changed. For example, opinions on divorce and swearing have moved over the past thirty years. If peers approve these advertisements, will managers revise their thinking about what is acceptable and ethical, or just be swept along by the judgment of their peers? Clearly, managers have the opportunity to learn about the actions of their competitors. Wicks (1989) believes that television station managers are often aware of the advertising policies of competing stations. She found that over 80% of managers were aware that an advertisement, which they had declined to air was being shown on a competitor's station. But when this sample of radio station managers was asked if their station's policies were influenced by the actions of competitors, only 23% agreed with the statement. An analysis of the clearance decision over a long period of time could allow researchers to understand how ethical decisions are both dynamic and potentially influenced by managers' peers

Going off air and around the media

Perhaps because it is difficult to advertise alcohol over the airwaves, evidence emerged during this study of radio-related ways advertisers are able to get around the on-air restrictions and still reach consumers.

Two examples reveal how alcohol manufacturers have still used radio, though not on the air, to reach consumers. Carol Archer (1998) describes how WNUA-FM, Chicago, a Smooth Jazz radio station, was able to earn money from Kahlua without turning over airtime to Kahlua ads. Instead WNUA tied the station's promotional CD to the liquor. Inside the WNUA CD sampler, which was sold at local record stores during the holiday season, was an insert card with a Kahlua recipe. Reciprocally, individuals who bought a certain amount of Kahlua received the station CD for free. Through the WNUA off-air promotion, "sales of Kahlua went up 20% or 30%, which is a nice story to tell other liquor companies," said Suzy LeClair, the director of marketing for the station.

A second general manager described the strategy of one alcohol manufacturer concerning his urban contemporary station. In order to avoid a backlash, this major alcohol company would tie into the station's community events as a sponsor. Instead of pursuing sixty-second commercial spots pushing alcohol consumption, the company focused its marketing money on neighborhood events, which subtly helped the company build a more positive image for the company with the station's listeners. Neither of these examples would be counted as an example of alcohol advertising by the survey instrument used.

Over the past few decades, broadcasters have exerted more control over advertising content, according to Rivers, Schramm & Christians (1980, p. 117). They believe the highpoint of advertiser control over broadcasting was in the Golden Age of broadcasting when most programs were sponsored by one advertiser. During this period, the control of the advertiser over broadcasters was quite visible. Today with a vigorous market and many buyers and sellers for advertising time, there is more station manager judgment involved in advertiser clearance. However, with changes in technology, the era of the advertiser controlling message creation may be returning.

Turow (1998) points out that advertisers, disappointed with traditional mass communications outlets, are increasingly dealing directly with consumers. The internet, with its rich multimedia content, ability to generate cheap mass mailing lists through the collection of e-mail addresses, and complete control over content by the web site's sponsor, has become an active area for alcoholic beverage messages. Burr (1997) reports that hard liquor companies such as Chivas Regal, Absolut Vodka, and Jose Cuervo have promotional internet web sites, as do beer manufacturers like Budweiser, Miller Lite, and Labatt's. By investing in this new technology, manufacturers clearly value this unmediated communication with potential customers.

Model building

This study integrated competing theories about a manager's advertising clearance behavior from the separate fields of media economics, media ethics and audience analysis. It is my hope that this dissertation will encourage researchers to build bridges across these fields and produce research that will add explanatory power to the current models used in each of these subfields of communications research. In order to further this goal, special attention was paid to establish common ground over definitional issues and to propose new explanatory factors that future researchers can use to develop more complex models of advertising clearance.

Overall, the Hunt & Vitell model's ethical correlates did not perform as well as those proposed by Wicks & Abernethy. The main problem with the expansive Hunt & Vitell model came from its lack of clear and reliable operationalizations of the proposed constructs. This result is surprising in light of the fact that contemporary marketing scholars continue to work with the model. On the other hand, Wicks & Abernethy's model has strong predictive validity about broadcasters' clearance, but its measures were so specific that theory building was difficult. On balance, future researchers are advised to use the Hunt & Vitell model but to also pay close attention to item validity.

Despite the research showing minority targeting of alcohol and tobacco advertising on billboards and the economic evidence that minority audiences are undervalued, the statistical analysis presented here revealed no strong evidence supporting differential targeting by race. However, this result must be interpreted with care since only eleven stations could be clearly identified as minority targeted. Obviously, further research with a meaningful sample of minority-programmed stations would allow researchers a stronger test of whether alcohol advertisements are more or less plentiful on African American and Hispanic stations. If a difference was found between majority and minority targeted stations, a larger sample size could allow ethical, cultural, racial or economic factors to be evaluated for their impact on this decision.

Conclusions

In the wake of court rulings expanding corporate speech, there are few rules guiding the clearance process. Interest in how media professionals handle their freedom, and whether they effectively self-regulate their advertising policies, will remain high. This research is especially timely since the media industry has experienced unprecedented deregulation and consolidation of ownership in recent years. This study offered us a view into the executive suite to learn how day-to-day management decisions are made when competing interests are at stake.

This study also serves to enlighten other scholars about the consequences of "letting the marketplace decide." It has cut through the rhetoric about what broadcasters claim to do and provided future researchers with broadcasters' actual responses to an ethical dilemma. Argandoña (1995) argues that deregulation creates more space for ethical behavior. This study has let us examine via the narrow prism of alcohol advertising, the validity of that statement and found support for Argandoña's contention. Although it is not uncommon to hear snickering about the notion of ethics influencing mass communications behavior, this research project shifts the burden to these disbeliveers to come up with a better explanatory model than the one considered here. I welcome further tests of the conclusion that a manager's personal ethics and values best explained the observed clearance of alcohol products.

Beyond the instant case of alcohol advertising, this study can also been seen as a contribution to the decades-old debate about how ethics and economics interact. According to Groenewegen (1995), there was "a prolonged silence for a substantial part of the twentieth century on the nature of the interrelationship between economics and ethics." Economists, draped in the cloth of social science, viewed questions of ethics and morality as irrelevant to an economic science. A recently discovered manuscript, "The relation of economics to ethics," attributed to Alfred Marshall, the father of neoclassical economics, worries about "the economic aspects of the liquor problem" and "what rules with respect to the consumption of alcohol and stimulants should be enforced" (Groenewegen, 1995). Nearly a century later, his questions still trouble policymakers. Hopefully, this study has, in a small way, helped bridge a vast divide that still separates economics and ethics and added to the debate. Since contemporary thinking recognizes that the division of ethics and economics creates a false dichotomy, this work responded by also adding a third factor, audience concerns, to the traditional contest of ethical and economic ones as causes of human behavior.

Yet the most important conclusions of this study highlight the importance of considering the explanatory value of ethics when conducting mass communications research. Day (1991, pp. 19-21) argues that ethics are "the foundation of a modern society" because the complex business and personal relationships found in a culture require a high level of interdependency and trust. However, many have noticed the sparse amount of empirical literature on applied ethics in the media workplace. For example, Kahle (1983, p. v) argues that values and ethics remain the last areas of knowledge not subject to rigorous analysis. Roy L. Moore (1999) pleads for more research in this area: "Although some cynics might argue that advertising ethics is an oxymoron, this is an area of advertising that deserves more attention, especially in the current era of deregulation." It is my hope that this study, in a small way, answered Moore's call.

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APPENDIX

Survey Instrument (Version A)

Please circle the letter next to the statement (or statements) which most closely expresses your current policy on alcohol advertising.

A. My station will air all types of alcohol advertising.
B. My station accepts alcohol ads on a case by case basis.
C. My station limits when these ads will air.
D. Though we don't solicit alcohol ads locally, if they come in through an agency or network, we let them run on the station.
E. My station has a policy of refusing to air alcoholic beverage commercials.

Please circle the following products or services that your station will allow to be advertised. Also, please estimate, next to each circled category, what percent of total station advertising revenues the category represented in the last twelve months.

Beer	________%
Wine	________%
Malt liquor	________%
Fortified wine	________%
Hard liquor	________%
Bars and nightclubs	________%
Package and liquor stores	________%

Who had input on formulating your station's alcohol advertising policy? (please circle the letter next to all that apply)

A. My station's owners
B. My station's lawyers
C. My sales manager
D. My program director
E. Myself
F. My station group's management
G. Others (please specify ______________________________)

Please write down any other comments you wish to make about your station's advertising policies:

Please rate each of the following statements by circling a number between one (1) and seven (7). One means you strongly agree with the item and seven means you strongly disagree with the item. The middle number (4) indicates neutrality - you don't feel strongly either way about the item. Please use the full range of numbers to correctly express your opinion.

I refuse to air some alcohol advertisements because such ads violate my personal ethical values.

Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

I see my station competing more with magazines and newspapers for advertising revenues than was the case five years ago.

Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

Spiritual values are more important than material things.

Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

My job is to earn the highest possible profits for my station.

Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

I refuse to air some alcoholic beverage advertisements because they might receive negative reactions from my station's other advertisers.

Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

I go to religious services regularly.

Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

My station's decision to allow advertisements for controversial products to air has an ethical component.

Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

I refuse to air some alcohol advertisements because they might receive negative reactions from my station's audience.

Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

My station charges higher rates to advertisers of unsavory products.

Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

I regularly attend industry meetings and conventions.

Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

The owners of my station are religious people.

Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

Compared to other radio general managers in this area, I am well compensated.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

Meaningful distinctions exist between beer and hard liquor.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

If Americans were more religious, this would be a better country.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

I believe members of my station's audience are unharmed by advertising.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

Alcoholic beverages are responsible for more social harm than good.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

Honesty is the best policy.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

Decisions about my station's alcohol policies are not made by employees, but by the owners of the station.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

Alcoholic beverage advertisers are treated like any other potential advertiser on my station.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

My station runs more public service announcements than required.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

The station's owners and I have very similar opinions and attitudes about social issues.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

I have a large amount of discretion when managing my station.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

Volunteer work in the community is important to me.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

My professional life adheres to the spirit and letter of the law and federal regulations.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

Someone close to me has a drinking problem.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

It is wrong to mislead people.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

Without more advertising revenue, my job at this station is in jeopardy.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

My station has a formal, written policy for handling controversial advertisements.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

I believe that people basically act in good faith.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

I am a very religious person.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

My station's policies are influenced by the actions of competing stations.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

Ethical conduct is important at my station.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

Running a radio station is a privilege and a public trust.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

My station has more news personnel than similar stations.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

I make time to belong to civic groups and attend their meetings.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

My station carries a large amount of play-by-play sports.
Strongly Agree 1----2----3----4----5----6----7 Strongly Disagree

Please read each of the two following scenarios. Then, answer the brief questions on how you, as a station manager, would handle each situation.

Scenario 1: Tim Jackson is in charge of advertising for Acme Department Stores, a large retailer in your area. In the past, he has not advertised on your station because a friend works for your competitor and Jackson gives his business to his friend. One day, you run into Jackson at a charity event for a local private school. Jackson is chairman of the board for the school and his children attend school there. He tells you that Acme would be willing to buy time on your station "if you donate some more money to the school."

How likely are you to do so? (please circle one)
A. Very Likely
B. Somewhat Likely
C. Somewhat Unlikely
D. Very Unlikely

Which of the following comes closest to your reasoning? (please circle one)
A. If everyone was forced to make these types of payments, trust would evaporate, as would my peace of mind.
B. My decision will help my career and family.
C. In this case, I have an obligation to make the donation.
D. Being forced to donate is wrong, regardless of how needy the charity is.
E. Paying such money is good business practice since it will lead to real competition for this account.

How would you rate your response? (please circle one)
A. Very Ethical
B. Somewhat Ethical
C. Neither Ethical or Unethical
D. Somewhat Unethical
E. Very Unethical

Scenario 2: One of your account executives has obtained a confidential list of customer information from your competitor.

How likely are you to use this information to help your station? (please circle one)
A. Very Likely
B. Somewhat Likely
C. Somewhat Unlikely
D. Very Unlikely

Which of the following comes closest to your reasoning? (please circle one)
A. If everyone violated confidence, no one could trust anyone else or be happy.
B. My decision helps me on the job and at home.
C. I have a duty to my employer to do the best job I can.
D. Employing this type of information is simply wrong.
E. Using such information is beneficial because it levels the playing field.

How would you rate your response? (please circle one)
A. Very Ethical
B. Somewhat Ethical
C. Neither Ethical or Unethical
D. Somewhat Unethical
E. Very Unethical

Three sample radio commercials follow. Would you disapprove or approve the following ads?

Advertisement 1: "It's baseball season again and that can mean only one thing. Time to get together with friends and enjoy the smooth taste of Hartee's Brew. Only Hartee's is brewed to go down clean and fresh. So, for your next game, stock up on Hartee's. Hartee's Brew, Port St. Joe, Florida."

How likely are you to run this ad? (please circle one)

A. Very Likely
B. Somewhat Likely
C. Somewhat Unlikely
D. Very Unlikely

How ethical would it be to run this ad? (please circle one)

A. Very Ethical
B. Somewhat Ethical
C. Neither Ethical or Unethical
D. Somewhat Unethical
E. Very Unethical

Advertisement 2: "Listen. It's not a soft drink, or a diet iced tea. It's powerful and not for kids... It will quench your thirst. Winchester Malt Liquor. Always drink responsibly. Winchester Malt Liquor, St. Louis, Missouri."

How likely are you to run this ad? (please circle one)

A. Very Likely
B. Somewhat Likely
C. Somewhat Unlikely
D. Very Unlikely

How ethical would it be to run this ad? (please circle one)

A. Very Ethical
B. Somewhat Ethical
C. Neither Ethical or Unethical
D. Somewhat Unethical
E. Very Unethical

Advertisement 3: "The Golden Taste - Bob's Light Beer - on sale through Saturday for $12.99 a case at Pierre's Warehouse."

How likely are you to run this ad? (please circle one)
A. Very Likely
B. Somewhat Likely
C. Somewhat Unlikely
D. Very Unlikely

How ethical would it be to run this ad? (please circle one)
A. Very Ethical
B. Somewhat Ethical
C. Neither Ethical or Unethical
D. Somewhat Unethical
E. Very Unethical

List of Values

Here is a list of things that people want out of life. Please read the list and rate each item from 100 (most important to you) to 0 (not important at all to you). Please rank the item (or items) you personally consider most important as 100.

Excitement ______

Warm relations with others ______

Being well respected ______

Security ______

Sense of belonging ______

Fun and enjoyment in life ______

Self-fulfillment ______

A sense of accomplishment ______

Self-respect ______

Briefly, describe your station's target audience:

A few demographic questions

Please circle the highest level of education you completed.
A. High School (or less)
B. 2 year college
C. College degree
D. Graduate School

If you went to college or graduate school, what area, or areas, did you major in?

____

Male ______ Female _______

How old are you? ______

How many years have you worked for this company? ______

Are you of Hispanic background? That is, Mexican-American, Cuban-American, Puerto Rican or some other Spanish background?

A. Yes
B. No

What race do you consider yourself?

A. African-American or Black
B. Asian
C. White
D. Other ______________________

Do you own a part of your radio station?
A. Yes
B. No

What religious denomination do you consider yourself? __________________

How many years have you worked in the broadcasting industry? _______

Does your company have a written code of ethics?
A. Yes
B. No

Thank you for participating! Please mail this confidential survey back to the Annenberg School in the enclosed envelope.

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